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Japan

U.S. Responds To Rice Remark Complaint

OW0409123291 Tokyo KYODO in English 1210 GMT 04 Sep 91

[Text] Tokyo, Sept. 4 KYODO—U.S. Ambassador to Japan Michael Armacost on Wednesday said a U.S. official's remark on the opening of the Japanese rice market is meant to indicate the need for all nations to make sacrifices for a successful conclusion of the global trade talks.

In a 40-minute meeting with Yoshihiro Hamaguchi, vice minister of agriculture, forestry, and fisheries, Armacost explained the remark was intended to mean Japan and other countries have to make painful decisions to conclude the Uruguay Round of multilateral trade talks successfully.

James Parker, minister-counsellor for agricultural affairs at the U.S. embassy in Tokyo, reportedly said Monday he had a feeling Japan is willing to open its rice market.

His remark angered Agriculture Minister Motoji Kondo, who said Tuesday it is "totally different from the view of the Japanese Government."

With the Uruguay Round at an impasse over farm trade, Japan is under increasing pressure from Washington to make concessions on rice.

LDP Delegation To Discuss Aid in Moscow

OW0309095391 Tokyo KYODO in English 0937 GMT 3 Sep 91

[Text] Tokyo, Sept. 3 KYODO—A delegation from the ruling Liberal Democratic Party (LDP) leaves Thursday for a five-day visit to Moscow to meet with Soviet leaders and discuss ways to assist with the rapidly changing conditions in the Soviet Union.

At the same time, the LDP awaits the arrival next week of a Russian delegation led by the acting speaker of the republic's parliament Ruslan Khasbulatov for an exchange of views on the future of the disputed islands off Hokkaido and Japanese economic aid.

Moscow Mayor Gavriil Popov originally extended an invitation to former LDP Secretary General Ichiro Ozawa, but since Ozawa was only recently released from the hospital, former Construction Minister Tamisuke Watanuki will head the four-member delegation.

The LDP group plans to meet with Russian President Boris Yeltsin, former Soviet Foreign Minister Eduard Shevardnadze, and Popov. The group is scheduled to return next Monday.

The Russian delegation, which is scheduled to arrive in Tokyo next Monday, will have five days of meetings with Japanese leaders, including Prime Minister Toshiki Kaifu, Foreign Minister Taro Nakayama, and current LDP Secretary General Keizo Obuchi.

Ozawa originally invited a Soviet delegation last year to visit Japan while he served as party secretary general, but the visit has been postponed three different times due to conditions in the Soviet Union.

MITI To Decide Framework for Aid to USSR

OW0309020891 Tokyo KYODO in English 0145 GMT 3 Sep 91

[Text] Tokyo, Sept. 3 KYODO—The framework of Japan's economic assistance to the Soviet Union should be decided by mid-September, Minister of International Trade and Industry Eiichi Nakao said Tuesday.

Speaking at a regular press conference, Nakao said Sozaburo Okamatsu, director general of the International Trade Policy Bureau who met the high-level aides of the leaders of Group of Seven (G-7) industrial nations in London to discuss the Soviet aid issue, will come home Thursday.

Based on Okamatsu's report on the attitudes of the other G-7 nations on the matter, the Ministry of International Trade and Industry (MITI) and the government as a whole will decide a framework for the policy on assistance to the Soviet Union as soon as possible, Nakao said.

There is a consensus in the government that Japan should provide economic and technological assistance directly to the Soviet republics after their relations with the central Soviet authorities are clarified, he said.

Japan is now waiting for a new comprehensive economic reform plan by the Soviet Union, with clear demarcation of the republics' political power and authority in areas such as foreign, economic, and defense policies, Nakao added.

Tokyo Welcomes Yugoslav Decision on Peace Plan

OW0309150991 Tokyo KYODO in English 1404 GMT 3 Sep 91

[Text] Tokyo, Sept. 3 KYODO—Japan welcomes the decision of Yugoslavia's Presidency and six republics to accept a European Community (EC) proposal for an international conference aimed at halting bloody ethnic skirmishing in the republic of Croatia, a Foreign Ministry spokesman said Tuesday.

Spokesman Taizo Watanabe told reporters Japan is also pleased to hear of the signing of a ceasefire agreement by the Presidency and the feuding republics, as well as a memorandum extending the activities of an EC monitoring mission to Croatia.

"Japan, having been deeply concerned about the armed conflicts in Croatia... will support the peace efforts made by the EC," Watanabe said.

The spokesman also called on "all parties concerned" to exert "full leadership" to contain the conflict.

Belgrade decided Monday to accept a declaration drafted on August 27 at a meeting of the EC foreign ministers, calling on the federal government and the heads of the six republics to attend a peace conference.

The declaration also says that all combatants in the ethnic war in Croatia should withdraw from fighting posture, that irregular forces should be disbanded, and that the Federal Army should return to barracks.

It envisages the dispatch to Croatia of as many as 200 EC and other foreign ceasefire monitors and support personnel. There are already 50 EC monitors in neighboring Slovenia to observe the Federal Army's pullout there.

Some 400 people have been killed since Croatia and Slovenia declared independence in June. Ethnic Serbs in Croatia, reportedly assisted by Serbian elements of the Federal Army, are fighting for control of areas of the republic bordering Serbia.

Kaifu To Support Beijing Bid To Host Olympics

OW0409095891 Tokyo KYODO in English 0943 GMT 04 Sep 91

[Text] Tokyo, Sept. 4 KYODO—Beijing Mayor Chen Xitong told Prime Minister Toshiki Kaifu on Wednesday he will welcome Kaifu's proposal to promote exchanges of Japanese and Chinese youths.

Chen, visiting Kaifu at his official residence, said the prime minister's visit to China in August "opened a new page" in Sino- Japanese relations and that the city of Beijing will fully welcome the youth exchanges.

In his visit to China, Kaifu proposed to expand the exchanges between the two nations as they near the 20th anniversary of the 1972 agreement to normalize relations.

Kaifu thanked Chen for China's warm reception during his visit and said he will support Beijing's bid to host the Olympics in 2000.

Chen is currently in Japan with a group trying to promote friendship between Tokyo and Beijing, and is scheduled to stay until Monday.

Emergency Aid to Mongolia Pledged

OW0409051391 Tokyo KYODO in English 0305 GMT 4 Sep 91

[Text] Tokyo, Sept. 4 KYODO—Japan will provide Mongolia with an emergency grant of 2 billion yen to help it promote economic reforms and democratization efforts, Foreign Ministry officials said Wednesday.

Japanese Foreign Minister Taro Nakayama and Mongolian Trade and Industry Minister Sedochiryn Bayarbaatar on Wednesday exchanged a diplomatic document on the assistance in a ceremony in Tokyo.

During a visit to Mongolia last month, Prime Minister Toshiki Kaifu promised to extend the grant, the officials said.

The Mongolian minister is visiting Japan to attend a two-day international conference on aid to Mongolia which opens in Tokyo on Thursday.

Representatives from Japan, the United States, Germany, South Korea, Australia, New Zealand, Singapore, and Mongolia will attend the conference to be co-hosted by Japan and the World Bank. Participants will discuss how to help Mongolian reform efforts.

China and the United Nations Development Program will attend the forum as observers.

The International Monetary Fund (IMF) and the Asian Development Bank will also join the conference.

France Regrets Misunderstanding Over Remark

OW0209111291 Tokyo KYODO in English 1047 GMT 2 Sep 91

[Text] Tokyo, Sept. 2 KYODO—The visiting French industry and external trade minister said Monday that French Prime Minister Edith Cresson's remarks about Japan are not criticisms, but rather expressions of admiration, Japanese Government officials said.

Dominique Strauss-Kahn, who arrived in Tokyo on Sunday as the first ministerial envoy dispatched to Japan by Cresson, made the comments during a meeting with Japanese Foreign Minister Taro Nakayama, the officials said.

Nakayama told Strauss-Kahn he is afraid Cresson's sharp criticisms of Japan could discourage Japanese investment in France, they said.

The French minister said said he feels sorry Cresson's comments have been misunderstood.

He said her comments really mean "Japanese people are blessed with excellent talents and, therefore, French people and the industrial world must be good enough to associate with such people."

Earlier in the year, Cresson was reported as referring to Japanese as "ants," who stay up all night "thinking of ways to screw us" and Japan as "another world that wants to conquer."

She later said her comments refer to large Japanese corporations and are not directed at the people and nation as a whole.

At an earlier meeting with International Trade and Industry Minister Eiichi Nakao, Strauss-Kahn said France hopes Japan will purchase more of its products like satellites and airbuses, the officials said.

French technology in fields such as space, aviation, chemicals, and medicine are at a high level, the French minister said.

While admitting the French trade deficit with Japan has rapidly improved recently, he said there is more room in the Japanese market for French products.

French airbuses account for about 30 percent of the world market, but only 10 percent of Japanese market, he was quoted as saying.

Nakao explained the government and his ministry are now pushing a new policy for promoting foreign investment and imports to Japan in the next fiscal year.

Under the policy, he said the Japanese Government will help foreign companies intending to invest in Japan with tariff exemptions and other financial assistance, Japanese officials said.

Strauss-Kahn arrived here last Sunday as the first ministerial envoy dispatched to Japan by French Prime Minister Cresson.

Aimed at strengthening bilateral relations, he is leading a delegation of presidents of 15 major French companies.

They are expected to meet Japanese business counterparts in Tokyo and Osaka before leaving Thursday.

Tokyo Expresses Hope for Expanded Iranian Ties

LD0309203891 Tehran IRNA in English 1057 GMT 3 Sep 91

[Text] Tokyo Sept. 3, IRNA—Japanese Foreign Minister Taro Nakayama said here Tuesday that Tokyo valued ties with Iran and was determined to cooperate with Iran in implementation of development projects.

The Japanese minister made the remarks in a meeting with Iran's Deputy Foreign Minister for Asia-Oceania al-Eddin Borujerdi who arrived here Monday night.

Nakayama expressed the hope that Tehran-Tokyo ties will further expand in future.

The Iranian official said, "the Islamic Republic is willing to upgrade its ties with Japan on the basis of mutual interests and to speedily implement its development projects with assistance of Japan."

Referring to the latest international developments, Borujerdi added that Iran employs all its potentials to bring stability and tranquility into the volatile Persian Gulf region.

Borujerdi, heading a political delegation, arrived here from South Korea on a three-day official visit. While in Seoul, he met with South Korean Parliament speaker and foreign minister.

Komeito's Head on SDF UN Role, PRC

OW0309045891 Tokyo KYODO in English 0341 GMT 3 Sep 91

[Text] Tokyo, Sept. 3 KYODO—The chairman of Komeito indicated Tuesday that the party is willing to endorse the proposed participation of the Self-Defense Forces (SDF) personnel in UN peacekeeping forces.

Koshiro Ishida, speaking at the party's Central Committee meeting, said Komeito is currently examining the problem of Japan's participation in UN peacekeeping forces and that he expects a correct choice after discussions by the whole party.

"Japan's participation in neutral and just peacekeeping operations complies with the spirit of the war-renouncing Constitution, as long as the UN peacekeeping operations are not aimed to use force," Ishida said.

Japan's Constitution bans the use of force as a means of settling international disputes.

Yuichi Ichikawa, secretary general of Komeito, Japan's second-largest opposition party, proposed using the term "peacekeeping corps" instead of "peacekeeping forces" to avoid military connotations.

Turning to the brokerage scandal, Ishida said an organization independent from the Finance Ministry should be in charge of inspecting the securities industry.

He added Komeito is ready to make a specific proposal on establishing a Japanese version of the U.S. Securities and Exchange Commission (SEC).

Ishida showed a cautious stance on possible financial aid by Japan to the Soviet Union, saying Tokyo should consider it while monitoring the Soviet domestic situation, such as the progress toward democratization and to a market-oriented economy.

He also called for the government to give positive support in fields such as the conversion of the Soviet arms industry to civilian production and to particular projects likely to lead to Soviet economic recovery.

Ishida said he will make a weeklong visit to China in early October. His visit will be the first by a Komeito head since 1987.

SDP's Tanabe on SDF Plan, DPRK Talks

OW0109135091 Tokyo KYODO in English 1333 GMT 1 Sep 91

[Text] Otaru, Hokkaido, Sept. 1 KYODO—Social Democratic Party (SDP) Chairman Makoto Tanabe on Sunday showed understanding of the planned dispatch overseas of Self-Defense Forces (SDF) personnel for natural disaster relief and humanitarian aid activities.

The top opposition party leader told reporters here such SDF activities would be in accord with the Constitution's spirit of international cooperation.

However, Tanabe said a national consensus has yet to be formed on the issue while pointing out concerns by other Asian nations about the overseas dispatch of SDF personnel.

He also said the ruling and opposition parties should discuss setting up a new body separate from the SDF for overseas relief work.

Tanabe indicated he will propose discussing the issue as well as Japan's participation in United Nations peacekeeping operations with other parties.

On Japan-North Korean relations, Tanabe proposed creating an organization to promote private exchanges in economic, scientific, and cultural fields.

The SDP, the ruling Liberal Democratic Party (LDP), and North Korea's governing Workers' Party agreed in September last year to work toward normalizing relations between Japan and North Korea. The two countries have no diplomatic ties.

On normalization talks under way in Beijing, Tanabe criticized the Japanese Government for bringing up the issue of a Japanese woman allegedly abducted to train North Korean agents, which he said is not related to the talks.

Imports of Finished Products Decline

OW0409092491 Tokyo KYODO in English 0859 GMT 4 Sep 91

[Text] Tokyo, Sept. 4 KYODO—Japan's imports of finished products in the first half of 1991 accounted for 50 percent of the total, down from 50.3 percent for the same period of 1990, the Japan External Trade Organization reported Wednesday.

The governmental organization said imports of finished products in the January-June period of 1991 totaled 59,032 million dollars, up 7 percent over the like period of last year.

The ratio of finished products declined because total imports for the six-month period grew 9 percent, the organization said.

The organization attributed the decline to decreased imports of paintings and passenger cars as owing to the collapse of the "bubble economy" and a rise in prices of imported crude oil as a result of the Persian Gulf war.

Imports of finished products from the European Community plunged 4.3 percent from a year earlier. Imports of paintings plunged 78.3 percent while those of automobiles fell 14.3 percent, it said.

The organization said imports from the United States grew at a modest 5.3 percent due to sluggish purchases of aircraft and machinery, it said.

Imports from the Association of Southeast Asian Nations [ASEAN] and China increased 29.2 percent and 34 percent, respectively, the organization said.

Notable were a surge in reverse imports from the ASEAN region, with imports of refrigerators for home use increasing about 57-fold and those of color television sets gained about seven-fold.

Imports of clothing from China soared 24.9 percent to 1,130 million dollars, topping those from newly industrializing economies in Asia for the first time, the organization said.

Organization officials predicted the ratio of finished products to the total imports for the whole of 1991 will rise to the year before level in view of declining oil prices.

Key Figures in Major Bank Fraud Indicted

OW0209091391 Tokyo KYODO in English 0900 GMT 02 Sep 91

[Text] Osaka, Sept. 2 KYODO—Public prosecutors said Monday they have indicted two key figures in a major fraud scandal involving an Osaka-based credit bank.

Indicted on charges of forgery and fraud were Nui Onoue, 61, owner of a Japanese restaurant in Osaka, and Tomomi Maekawa, 58, former branch head of Toyo Shinkin Bank (credit association).

The prosecutors said Onoue obtained massive loans from financial institutions using two deposit receipts forged by Maekawa totaling about 350 billion yen.

They said Onoue and Maekawa, who were arrested on August 13, have admitted all charges listed in the indictment.

According to the indictment, the two suspects conspired to swindle the Osaka branch of the Industrial Bank of Japan (IBJ) and Central Finance Co., a Nagoya-based finance company, using forged deposit records.

The pair recovered securities worth a total of 60 billion yen held at the two financial institutions as collateral in exchange for two forged deposits receipts, each valued at 30 billion yen, on February 25 this year, the indictment said.

Officials at the Osaka District Public Prosecutor's Office said Maekawa produced forged deposit receipts totaling 342 billion yen at the request of Onoue.

They said an investigation was continuing on the remaining 12 forged receipts totaling 293 billion yen.

Yoh Kurosawa, IBJ president, testifying before an investigative committee of the House of Representatives as a special witness on Friday, admitted the bank was careless in dealing with Onoue.

Kurosawa said the long-term credit bank had lent a total of 60 billion yen to Onoue to finance her stock trading. He said 20 billion yen was loaned to her by the IBJ and an additional 40 billion yen by its subsidiary, Kogin Lease Co.

Onoue owed as much as 240 billion yen to the IBJ and its affiliates at the peak period in October last year, he said.

Toyo Shinkin Bank ranks 56th among Japan's 446 credit associations. Its outstanding balance of deposits amounts to 316 billion yen.

Banks To Tighten Regulations for Management

OW0309092491 Tokyo KYODO in English 0824 GMT 3 Sep 91

[Text] Tokyo, Sept. 3 KYODO—The banking industry agreed Tuesday to tighten regulations for its own management, including stricter screening of lending, to avoid the recurrence of financial scandals, industrial officials said.

The officials said the seven-point agreement was reached at a meeting of the Federation of Bankers' Association of Japan.

The chairman of the federation, Kenichi Suematsu, said after the session that the agreement also includes a ban, in principle, on loan extensions using deposits at other banks as coliateral.

He said the banks also decided to review the existing method for evaluating real estate offered as collateral.

Suematsu, who is president of Mitsui Taiyo Kobe Bank, said the federation will form a standing committee to oversee the financial industry in response to a request by the Finance Ministry.

The committee will be made up of executives in charge of inspection at federation member banks, he said.

'Questionable Deals' for Compensation Funds

OW0409041791 Tokyo KYODO in English 0331 GMT 4 Sep 91

[Text] Tokyo, Sept. 4 KYODO—The "big four" brokerage houses committed themselves to questionable deals in warrants and securities as a means of compensating favored clients for investment losses, a Finance Ministry [MOF] document showed Wednesday.

The internal document, obtained by an opposition lawmaker, shows that the four brokerages sold such securities to 13 favored clients and bought them back at inflated prices in a very short period, in some cases in a day, before March 1990.

Among the 13 clients are Hitachi Ltd., Marubeni Corp., and the Pension Welfare Service Public Corp., a public entity that manages pension funds.

They are on lists of clients that received compensation, which were released earlier by the big four and several other smaller brokerage houses. The big four are Nomura Securities Co., Daiwa Securities Co., Nikko Securities Co., and Yamaichi Securities Co.

In the case of Hitachi, Nomura sold it warrants issued by an electronics part maker for 166 million yen on March 16, 1990, and repurchased them the same day for 1,196 million yen, according to the document.

The MOF document also revealed that Nomura sold warrants issued by a petrochemical company for 320 million yen to Hitachi and bought them back for 1,463 million yen on the same day.

The two transactions earned Hitachi a total of 2,173 million yen in a single day.

The disclosure came on the day when top officials from major brokerage houses were summoned to testify before a House of Councillors' special panel on the widening securities scandals.

Securities Executives Admit to More Payouts

OW0409091091 Tokyo KYODO in English 0841 GMT 04 Sep 91

[Text] Tokyo, Sept. 4 KYODO—The former top executives of two leading securities companies admitted Wednesday that their companys' compensations of stock market losses for favored clients are not confined to those already made public.

Setsuya Tabuchi, former chairman of Nomura Securities Co., and Takuya Iwasaki, former president of Nikko Securities Co., speaking before the House of Councillors ad hoc committee on the securities scandal, conceded that their firms gave such special treatment to some privileged clients before "Black Monday" on October 1987.

The two brokerage houses, the nation's largest and third largest, previously admitted making such paybacks between October 1987 and March 1990.

During that period, Nomura paid 27,478 million yen to 48 companies and one individual for loss compensations, while Nikko paid 33,100 million to 59 companies.

Both Iwasaki and Tabuchi testified as sworn witnesses before the Upper House's special committee on securities and financial problems.

Tabuchi, who gave his testimony before Iwasaki, also said Finance Ministry inspections showed that some of Nomura's securities transactions after April 1990 may have been used to compensate clients for losses.

In testimony last week before the House of Representatives special panel on the securities scandal, Tabuchi denied such wrongdoing after April 1990.

Masahiro Dozen, president of Daiwa Securities Co., in testimony following Iwasaki's, said there are some cases that he suspects might be loss coverings after April 1990.

Daiwa also admitted before that it paid 22,116 million yen to 57 corporate clients for covering losses between October 1987 and March 1990.

The "big four" brokerage firms—Nomura, Daiwa, Nikko, and Yamaichi securities houses—paid 128.3 billion yen in total for compensating investment losses for favored clients during the period between October 1987 and March 1990.

The bulk of kickback payments were made after the Finance Ministry issued an administrative directive in December 1989, requiring the securities companies to refrain from making such deals.

Nikko's Iwasaki also said he decided on providing compensation because he thought it would be in the company's interest.

Dozen of Daiwa also admitted he made the decision for the company to pay compensation.

He said he advised marketing officials to cover the losses which his company was responsible for.

Nomura's Tabuchi said in his testimony to the Lower House special committee last week that the decision to pay compensation was endorsed by the company's 15-member executive council, of which he was a member.

Tabuchi said at Wednesday's hearing that he was summoned by the Tokyo District Public Prosecutors' Office on August 22 for questioning about covering losses and the company's ties with a leading member of an organized crime syndicate.

The Upper House special panel will summon the heads of three leading banks Thursday as unsworn witnesses to give testimony on the banks' involvement in recent financial scandals.

Sotoo Tatsumi, president of Sumitomo Bank, Toru Hashimoto, president of Fuji Bank, and Yoh Kurosawa, president of the Industrial Bank of Japan, will answer questions at Thursday's hearing.

Ministry Disputes Nomura Denial of Manipulation

OW3108052991 Tokyo KYODO in English 0501 GMT 31 Aug 91

[Text] Tokyo, Aug. 31 KYODO—Nomura Securities Co. is suspected of artificially driving up the share price of a railway concern so an underworld figure could profit from the upsurge, a Finance Ministry official said Saturday.

Nobuhiko Matsuno, director general of the ministry's securities bureau, told the House of Representatives ad hoc committee on securites and financial problems that the ministry suspects Nomura of manipulating the share price of Tokyu Corp. for a gangster so he could sell shares at a large margin.

"We are conducting a close investigation into it through a special examination," Matsuno said.

His remarks came after Setsuya Tabuchi, former chairman of the world's biggest brokerage house, firmly denied alleged manipulation of the Tokyu stock price.

Testifying before the select lower house committee, Tabuchi said under oath, "I am absolutely confident there was no such thing as manipulation," though he admitted some "excessiveness" in Nomura's transactions of Tokyu shares.

The Tokyu share price soared to a record high of 3,060 yen in November 1989 from the 1,000 yen level before August of the same year, after Susumu Ishii, a retired boss of Japan's second-largest crime syndicate, Inagawa-kai, amassed a huge block of shares from April to October with financial support from Nomura.

The surge also coincided with the timing of Nomura's active recommendation of the Tokyu stock.

Stock price manipulation is banned by Article 125 of Japan's Securities and Exchange Law.

In replying to questions from Hikaru Matsunaga, a ruling Liberal Democratic Party (LDP) member, Matsuno based his suspicion on the facts that a number of Nomura branches concentrated its trading on Tokyu stock at that time and that some investors engaged in repeated trading of Tokyu shares during a very short period of time.

"We are gathering information from involved investors about how Nomura recommended the Tokyu stock to them through our special investigation," which started on July 18, he said.

Kazutomo Ijima, in charge of the Justice Ministry's Criminal Affairs Bureau, said the police authorities are conducting a full-scale investigation into the case, holding hearings about parties concerned and collecting related documents.

The Tokyo District public prosecutor's office had already summoned Tabuchi last week, in response to a complaint filed by a shareholder accusing Tabuchi and Nomura's former president Yoshihisa Tabuchi of the alleged stock manipulation and unfair kickbacks to selected investors, the basis of another scandal surrounding Nomura.

Meanwhile, Nomura officials remained calm.

"We did not see the Diet hearing. But all we can do at present is wait for the results of the ministry's ongoing special probe," a Nomura official said.

Nomura's official comments on Matsuno's statement were not available, because company offices are closed on Saturdays.

Ministry Considering Action Against Nomura

OW0309010491 Tokyo KYODO in English 2351 GMT 2 Sep 91

[Text] Tokyo, Sept. 3 KYODO—The Finance Ministry is considering taking administrative action against Nomura Securities Co., including suspending it from doing business, for allegedly manipulating the stock price of a railway company, ministry sources said late Monday.

The ministry suspects Nomura of driving up the stock price of Tokyu Corp. by recommending the stock in an excessive manner, thereby violating the ministry's ordinance relating to Article 54 of the Securities and Exchange Law, the sources said.

The ordinance prohibits securities companies from so aggressively recommending investors buy a specific stock within a certain period that fairness in setting a stock price is undermined.

The ministry is also investigating allegations that Nomura violated Article 125, which bans stock price manipulation and imposes criminal penalties for offenders.

Tokyu share prices soared to a record high of 3,060 yen in November 1989 from 1,000 yen prior to that August. The stock tripled in price after Susumu Ishii, the retired boss of Japan's second-largest crime syndicate, Inagawa-kai, amassed a huge block of Tokyu shares with financial support from Nomura.

The ministry sources said the ministry's probe into Nomura so far has found that Nomura issued a strong buy recommendation on Tokyu in its weekly investment periodical issued in October 1989 and committed questionable deals in Tokyu.

Nomura Ex-Chairman Testifies on Reimbursements

More Reimbursements Revealed

OW0409041391 Tokyo KYODO in English 0259 GMT 4 Sep 91

[Text] Tokyo, Sept. 4 KYODO—Nomura Securities Co. paid compensation for investment losses to some clients on top of the reimbursements it has already admitted making, the brokerage's former chairman told a Diet panel Wednesday.

Setsuya Tabuchi admitted the additional payments before the House of Councillors Special Committee on Securities and Financial Problems, as it opened hearings of testimony by top officials of major securities companies over the recent brokerage scandal.

Answering questions by a panel member, he said Nomura paid compensation for trading losses to some clients before September 1988.

The company previously admitted paying such compensation between September 1988 and March 1990.

In testimony last week before the House of Representatives Special Committee on Securities and Financial Problems, Tabuchi denied that Nomura paid such compensation after April 1990.

Tabuchi also acknowledged that Nomura was aware it was violating a December 1989 Finance Ministry directive banning compensation for market losses to clients when it paid such compensation.

He said some company officials argued that paying such compensation was "inadvisable" but that the Nomura management thought priority should be given to discontinuing the "tokkin" specified money trust deals with major customers authorizing the brokerage to invest customers' funds at its own discretion.

Tabuchi also said he was summoned by the Tokyo District Public Prosecutors Office on August 22 for questioning about Nomura's reimbursements for market losses to favored clients, its ties with underworld figures, and its suspected stock manipulations.

Further on Testimony

OW0409045991 Tokyo KYODO in English 0421 GMT 4 Sep 91

[Text] Tokyo, Sept. 4 KYODO—Nomura Securities Co. paid compensation for investment losses to some clients before the Black Monday stock market crash of October 1987, former Chairman Setsuya Tabuchi told a Diet panel Wednesday.

The company previously admitted paying such compensation between September 1988 and March 1990.

Tabuchi admitted to the additional payments before the House of Councillors Special Committee on Securities and Financial Problems as it began hearing testimony from former top officials of major securities companies over the recent brokerage scandal.

He also said Finance Ministry inspections showed that some of Nomura's securities transactions after April 1990 may have been used to compensate clients for losses.

In testimony last week before the House of Representatives Special Committee on Securities and Financial Problems, Tabuchi denied that Nomura paid compensation after April 1990.

Tabuchi also disclosed he was summoned by the Tokyo District Public Prosecutors Office on August 22 for

questioning about Nomura's reimbursements for market losses to favored clients, its ties with underworld figures, and its suspected stock manipulations.

On another question, Tabuchi admitted that Nomura was among the major brokerages that reimbursed favored clients for investment losses by repurchasing warrants, government bonds, and bond futures, which had been sold to clients, at prices four to seven times higher than the selling prices.

Published Finance Ministry documents showed that the "big four" brokerages—Nomura, Nikko, Yamaichi, and Daiwa Securities Companies—compensated Hitachi Ltd., Marubeni Corp., the government-backed Pension Welfare Services, and other clients through such deals.

Tabuchi also acknowledged that Nomura was aware it was violating a December 1989 Finance Ministry directive banning compensation for market losses to clients when it paid compensation.

Answering questions by a panel member, Tabuchi said Nomura would not have violated the directive if it was a law.

Upper House Opens Brokerage Scandal Hearings

OW0409015391 Tokyo KYODO in English 0114 GMT 4 Sep 91

[Text] Tokyo, Sept. 4 KYODO—The House of Councilors special panel opened hearings Wednesday morning of testimony by top officials from securities houses over the recent brokerage scandal.

Summoned before the Upper House's Special Committee on Securities and Financial Problems are Setsuya Tabuchi, former chairman of Nomura Securities Co., Takuya Iwasaki, former president of Nikko Securities Co., and the presidents of Daiwa Securities Co. and Yamaichi Securities Co.

Tabuchi and Iwasaki were called last week to testify before a similar panel set up by the House of Representatives to investigate the brokerage scandal.

Finance Ministry Proposes Securities Penalties

OW0309234491 Tokyo KYODO in English 1518 GMT 3 Sep 91

[Text] Tokyo, Sept. 3 (KYODO)—The Finance Ministry presented the ruling Liberal Democratic Party (LDP) with draft revisions of the Securities and Exchange Law which contain penalties for engaging in loss compensation schemes, ministry sources said Tuesday.

The proposals, which form the basis of a draft revision to be submitted to the current extraordinary session of the Diet, call for a total ban on unfair kickbacks by brokerages to clients, the sources said.

The ban is aimed at "restoring investors' confidence in the fairness and soundness of the market," one source said.

Brokerage houses would be barred from reimbursing clients and investors would not be allowed to accept compensation for losses, the sources said.

Brokers which violate the rule will face imprisonment of up to one year or fines of up to 1 million yen. Investors who ask for and receive refunds could be jailed for up to 6 months or fined up to 500,000 yen.

Discretionary accounts, which give brokers sole authority to make investment decisions without first notifying clients and are thus believed to induce such malpractices, will be banned.

Violators of the ban will be subject to disciplinary measures.

The ministry also proposed seizure of all profits investors take from such compensation schemes.

The proposals, which cover index futures, options dealings and ordinary stock trading, exempt compensations stemming from trading "accidents."

Members of the ruling party are divided over the proposed stern punishments for investors, LDP sources said.

The party decided to put off discussions on the proposals until next week, when the upper house's Special Committee on Securities and Financial Problems is due to end its deliberations.

Government, Industry Propose Securities Watchdog

Government's Proposal

OW0309144191 Tokyo KYODO in English 1411 GMT 3 Sep 91

[Text] Tokyo, Sept. 3 KYODO—A government advisory panel will propose creating a semi-independent securities watchdog to prevent a recurrence of the recent stock scandals, government sources said Tuesday.

Under recommendations to be published in mid-September by the ad hoc commission on administrative reform, the watchdog, tentatively called the financial examination committee, will be affiliated with the Finance Ministry.

But the proposed body will be formed on a representative system so it can be as independent and neutral as possible.

At the request from Prime Minister Toshiki Kaifu, the panel, headed by Eiji Suzuki, president of the Japan Federation of Employers' Associations (Nikkeiren), has been working on measures the government can take to increase the policing of illicit practices in the securities industry.

Originally, the panel studied the establishment of a fully independent body like the U.S. Securities and Exchange Commission, but it dropped the idea because some commission members argued that such a powerful body goes against the spirit of administrative reform the panel is supposed to pursue, the sources said.

The advisory commission also paid attention to the standing of the ministry, which wants to keep as much authority as possible.

The proposed committee, however, will be given more jurisdiction than the ministry wants it to have. The ministry proposed forming a new oversight section inside the ministry, not outside as proposed by the panel.

In addition, under Japan's administrative organization laws, committees, like the proposed one, are not subject to control from their respective ministers, and thus are more independent than agencies, another form of ministry-affiliated administrative bodies.

At its sixth meeting earlier in the day, the panel also agreed to propose partial decontrol of brokerage commissions.

The current fixed-fee system is being blamed for rampant stock-loss compensation, the center of the recent scandals.

Critics say the system limits healthy competition among brokerage houses and provides enough profits for them to make good the trading losses of their favored clients.

SDP's Proposal

OW0109102091 Tokyo KYODO in English 0947 GMT 1 Sep 91

[Text] Otaru, Hokkaido, Sept. 1 KYODO—The Social Democratic Party (SDP) on Sunday announced a draft bill for the establishment of an independent securities watchdog body modeled after the Securities and Exchange Commission in the United States.

SDP Chairman Makoto Tanabe told a press conference in Otaru that the party wants to establish the safeguard organization in order to prevent a recurrence of scandals in which brokerages compensated preferred clients for stock losses.

Japan's top opposition party hopes to gain the cooperation of other opposition parties, Komeito and the Democratic Socialist Party, Tanabe said.

He added that he hopes the combined proposal would form the basis of a counterproposal to a government bill in the current session of the Diet.

Tanabe said the Finance Ministry would hand over responsibility for monitoring the securities industry to such a watchdog organization to ensure more impartiality and transparency in the securities market.

He said the draft would give such a body the right to run compulsory checks on customers as well as securities companies.

Under the terms of the draft, the body would be headed by an administrative committee of five people picked by the prime minister and the group would act as an extraministerial bureau within the prime minister's office.

Keidanren's Proposal

OW0209121091 Tokyo KYODO in English 1148 GMT 2 Sep 91

[Text] Tokyo, Sept. 2 KYODO—A blue-ribbon business group called Monday for the establishment of a semi-independent scheme to oversee the financial industry pending preparations for a fully independent watchdog body in the future.

The Federation of Economic Organizations (Keidanren), made the appeal in a proposal put forward Monday to prevent a recurrence of the series of financial scandals sweeping Japanese brokerage firms, banks, and nonbank financial institutions.

As an initial step toward establishing a fully independent body, the proposal called for the creation of a watchdog organization affiliated with the Finance Ministry that is empowered to investigate violations of rules and take legal and punitive measures.

Gaishi Hiraiwa, chairman of the federation, told a news conference it is fundamentally important the industry install an in-house scheme voluntarily to oversee its operations, although creation of a fully independent watchdog is desirable.

Keidanren decided to propose the creation of an organization affiliated with the ministry as a practical step because an independent body requires years of preparations for creation, he added.

The proposal stemmed from discussions held by federation officials following disclosures many Japanese securities companies, including "big four," paid kickbacks to favored clients to cover their investment losses and a series of frauds involving leading commercial banks.

The Kansai Economic Federation, headquartered in Osaka, supported Keidanren's proposal, saying Japan should create a system acceptable to the outside world.

The government-appointed ad hoc commission on administrative reform said it has been studying a proposal for the establishment of an organization under supervision of the Finance Ministry.

The commission will announce its position on the proposal in a report to be submitted to the government in mid-September.

Executives' Group Proposal

OW0309142891 Tokyo KYODO in English 1330 GMT 3 Sep 91

[Text] Tokyo, Sept. 3 KYODO—A major Japanese business organization proposed Tuesday that a private-sector securities watchdog be created to prevent a recurrence of the stock scandals rocking Japan.

The proposal, compiled by the Japan Association of Corporate Executives (Keizai Doyukai), also called for scrapping the license system for stockbrokers and decontrol of brokerage commissions.

Doyukai blamed the Finance Ministry for the spate of stock scandals, which it said demonstrated "the absence of rules understandable to anybody in a market where individual and foreign investors are more and more involved.

"While using administrative guidance under the license system more than necessary, the Finance Ministry neglected to properly prepare the Securities and Exchange Law," it said.

As Doyukai Chairman Masaru Hayami repeatedly said, the proposed watchdog would be based on the British Securities and Investments Board (SIB).

Comprised of investors, securities issuing companies, brokerage houses, and academics, the British agency is empowered to file complaints against companies that act improperly.

Doyukai opposes an idea put forward by the Federation of Economic Organizations (Keidanren), which Monday called for establishing a semi-independent agency, affiliated with the Finance Ministry, to oversee the financial industry.

Hayami said it is doubtful such an organization could be fully independent from the government.

Hayami told a press conference that it is "democratic and desirable to form rules by concerned parties which know the market best."

The association said the scandals showed the limitations of government regulations and administrative guidance on corporate activities.

"The government should not repeat its mistakes by dealing with such scandals through guidances," he said.

Doyukai also suggested abolishing the current fixed brokerage fee system, which critics say encouraged brokerages to compensate the losses of favored clients by curbing competition and providing brokerages enough profits to make good investors' losses.

In a related development, Kenichi Suematsu, chairman of the Federation of Bankers Association of Japan, favored stricter oversight for the stock market. Suematsu, however, opposed establishing a too powerful independent body, which he said would hamper sound economic activity.

Finance Minister To Accept Advice on Stock Curb

OW0309034091 Tokyo KYODO in English 0227 GMT 3 Sep 91

[Text] Tokyo, Sept. 3 KYODO—Finance Minister Ryutaro Hashimoto said Tuesday the ministry will follow the recommendations of a government committee on measures to prevent recurrence of stock scandals, provided the advice is not "completely unrealistic."

He referred to the recommendations expected to be made in mid-September by the Ad Hoc Commission on Administrative Reform headed by Eiji Suzuki, chairman of the Japan Federation of Employers' Associations (Nikkeiren).

The commission, at the request of Prime Minister Toshiki Kaifu, is working out steps the government should take to boost its power to monitor and investigate illicit practices in the securities industry.

"The ministry is willing to accept the recommendations, even if doing so entails much pain for us—unless (its proposals are) completely unrealistic," Hashimoto said at a press conference after a regular cabinet meeting.

Suzuki has indicated his recommendations are likely to include strengthening of self-policing of unfair trade practices by the Japanese securities industry, tougher measures against such practices by the Finance Ministry based on clearly defined jurisdiction, and the establishment of an independent watchdog organization.

The Federation of Economic Organizations (Keidanren) on Monday released its own recommendations on the issue, calling for the establishment of a government agency under the Finance Ministry's control as a first step, and also for the establishment of a completely independent watchdog organization in the future.

Hashimoto, however, refused to state his view on what kind of system he regarded as best for strengthening the administrative power for checking illicit practices in the industry.

He also said he doubts the wisdom of requiring small securities firms to publish lists of individual investors who received compensation for stock market losses, unless the investors are members of criminal organizations or politicians.

Nobuhiko Matsuno, director general of the ministry's Securities Bureau, said Monday four more small brokerages compensated favored clients for losses on stock investment. The compensation totaled 200 million yen, he said.

It is believed these clients include some small-lot individual investors.

Kaifu Urges Cooperation for Political Reform

OW0409072091 Tokyo KYODO in English 0640 GMT 4 Sep 91

[Text] Tokyo, Sept. 4 KYODO—Prime Minister Toshiki Kaifu and the executive of the ruling Liberal Democratic Party (LDP) agreed Wednesday the government and the party be united for passage of a package of political reform bills, party officials said.

In a 50-minute meeting at the prime minister's official residence, Kaifu said he will take the lead in realizing political reform and called for the LDP's cooperation.

LDP secretary general Keizo Obuchi said the party will do its utmost to ensure the bills are passed.

Masayoshi Ito, chief of the party's political reform headquarters, said the LDP has approved the bills and should not allow its members to argue against them in the Diet.

Parliamentary deliberations on the bills are expected to begin around next Monday.

The government has submittee three political reform bills aimed at overhauling Japan's electoral system, which include the introduction of a single-seat constituency system for the house of representatives.

The government has drawn up the bills two years after the recruit influence-buying scandal brought down the administration of Prime Minister Noboru Takeshita in 1989.

All opposition parties oppose the bills and there is strong resistance to them even within the LDP.

Takeshita Faction's Kanemaru May Support Kaifu

OW0209080691 Tokyo KYODO in English 0718 GMT 2 Sep 91

[Text] Kannami, Shizuoka Pref., Sept. 2 KYODO—Former Deputy Prime Minister Shin Kanemaru on Monday indicated that he may support Prime Minister Toshiki Kaifu in the race for the ruling Liberal Democratic Party (LDP) leadership in October.

Kanemaru, chairman of the LDP's largest faction led by former Prime Minister Noboru Takeshita, told a faction seminar here that the selection of the party leadership should reflect public opinion, indicating that one of the choices for the faction may be to continue its support for Kaifu.

"There is criticism of the Kaifu cabinet in political circles," he said. "But without listening to public opinion, we cannot carry out politics."

The LDP presidency carries with it the post of prime minister, since the party enjoys a stable majority in the powerful House of Representatives.

Kaifu's two-year term as LDP president expires in late October.

In the latest opinion poll conducted by KYODO news service in August, the support rate for the Kaifu cabinet rose to 57.1 percent, up 3.6 percentage points from the previous poll conducted in June.

As the main reasons for the support, 20 percent said it was because they trust the prime minister himself, and 16 percent because the cabinet is LDP-controlled.

Kanemaru also referred to Kaifu's enthusiasm to introduce political reform bills.

"There are views that Kaifu will not be reelected if these bills do not pass, but on the other hand, there are also views that he will be reelected," he said.

FY '90 Energy Consumption Described

OW0409084991 Tokyo KYODO in English 0820 GMT 04 Sep 91

[Text] Tokyo, Sept. 4 KYODO—Japan's total energy consumption in fiscal 1990 rose to the equivalent of 2,195 million barrels of crude oil, a 3.8 percent increase from the previous year, the Agency of Natural Resources and Energy said Wednesday.

The growth compared with 2,113 million barrels, a 3.4 percent yearly rise in fiscal 1989, and 2,044 million barrels, a 5.7 percent yearly rise in fiscal 1988.

Accordingly, total carbon dioxide emissions into the atomosphere during the year rose to an estimated 320 million tons, or 2.59 tons per capita, up 5.1 percent from the previous year, agency officials said.

The demand for energy has steadily grown during the continuing economic expansion since November 1986.

In the industrial sector it grew by 3.2 percent, compared with a 2.7 percent rise in the previous year, due to active production in manufacturing, the officials said, referring to a 5.5 percent annual rise in the industrial production index.

In the office and shop category, energy consumption jumped 10.4 percent over the previous year, while that in the household category rose 7.7 percent. The hot summer last year boosted use of air conditioners, they said.

Energy demand in the transportation sector rose 4.4 percent, led by the increase in car owners as well as the boom in the tourism and leisure industries. Consumption of gasoline, which accounts for 50 percent of total transportation energy consumption, rose by 5.0 percent.

By source, consumption of oil rose 6.0 percent and that of atomic energy by 10.6 percent.

Of total energy consumption, 58.3 percent was dependent on oil, the fifth consecutive yearly increase.

Mongolia

Policy Shift to Armed Neutrality Planned

OW0409093191 Tokyo KYODO in English 0917 GMT 04 Sep 91

[Text] Ulaanbaatar, Sept. 4 KYODO—Mongolia, long a loyal satellite of the Kremlin, will announce a shift to a policy of armed neutrality in the near future, a reliable Mongolian source said Wednesday.

Mongolia, formerly the second oldest communist nation in the world, finds itself in a delicate situation sandwiched between the Soviet Union, now throwing off the shackles of 70 years of Communist Party rule, and China, which has declared it will adhere to the socialist path.

Mongolian leaders hope the new policy of armed neutrality will take some of the edge off its precarious position by firmly establishing it in the non-aligned camp.

According to the source, Mongolia will petition for a seat in the Council of Non-Aligned Nations and seek recognition for its bid at a meeting of foreign ministers of non-aligned nations opening Wednesday in Accra, Ghana.

The armed neutrality stance is expected to be debated when the People's Little [word as received] Hural convenes for a regular session in the near future, the source said, adding it will likely be incorporated in a new Mongolian constitution expected to be adopted by the end of the year.

Mongolia has been dependent on Soviet political, military, and economic support since the 1920s, when the Kremlin helped Mongol nationalists establish the People's Revolutionary Party and set up a provisional government.

Mongolia and the Soviet Union concluded a treaty of friendly cooperation and mutual economic assistance in 1966 but negotiations currently under way would eliminate the military alliance aspects of the accord.

Since 1986, the Soviet Union has cut back its free military aid to Mongolia.

According to the source, the Mongolian Government is considering armed neutrality as a policy since the nation is caught between two giant neighbors.

The decision was made on the basis of a report on a visit to Switzerland by Defense Minister Shagaliyn Jadambaa, the source said.

TV Station Interviews PRC's Yang Shangkun

OW2908052291 Beijing XINHUA in English 0506 GMT 29 Aug 91

[Text] Ulaanbaatar, August 29 (XINHUA)—Chinese President Yang Shangkun, who is scheduled to conclude his visit to the Mongolian People's Republic this afternoon, described the visit as "a complete success" here this morning.

In an interview with the Mongolian television station, President Yang said that this visit has achieved the expected goal.

During the visit, the Chinese president said, he had held talks with Mongolian President Punsalmaagiyn Ochirbat "in a sincere and friendly atmosphere," exchanging views in an in-depth way with him on furthering Sino-Mongolian relations and international issues of common concern. The talks were "fruitful" and had promoted "mutual understanding and trust," he said.

Speaking of the concrete results of his trip to Mongolia, Yang mentioned the "important documents" on economic cooperation signed by the two governments, including the agreement on China offering favorable transit facilities for Mongolia to transport goods through Chinese territory and from China's Tianjin new seaport.

Asked about areas for further growth of the Sino-Mongolian cooperation, the Chinese president noted that as close neighbors, China and Mongolia may cooperate with each other in many fields. In particular, he said, "our two countries have a historical tradition, as well as many favorable conditions and vast potentials for the expansion of economic and trade cooperation."

Mongolia is rich in natural resources and China has some superiorities in technology and equipment, Yang said, adding the two sides may learn from and help each other in the development of economic cooperation.

"I believe that the Sino-Mongolian economic and trade cooperation will develop in a better way with the common efforts of the two sides," Yang Shangkun said.

In response to a question about the possibility of developing regional cooperation, President Yang Shangkun said that as an Asian country, China has paid great attention to the cooperation in the Asian-Pacific region. China, he added, is willing to discuss with Mongolia and other relevant countries the possibility of conducting bilateral and multilateral cooperation. "We are also willing to discuss with Mongolia and the Soviet Union the possibility of strengthening economic cooperation," Yang said.

In the interview, the Chinese president once again extended his cordial regards and best wishes to the Mongolian people and thanked them for the warm welcome and hospitality accorded him during his stay in Mongolia. He wished the Mongolian People's Republic new achievements in national construction and revitalization.

North Korea

U.S., South Joint Military Exercises Reported

29, 30 Aug, 1 Sep Exercises

SK0309062691 Pyongyang KCNA in English 0514 GMT 3 Sep 91

[Text] Pyongyang September 3 (KCNA)—The U.S. Pacific Airforce and Navy Commands staged a large-scale aerial war exercise aimed at a preemptive strike at

the northern half of Korea in the air above South Korea from August 29 to September 1, according to military sources.

Such operations as aerial and ground joint strike, ground support, mid-air refuelling and airborne transport which were staged in the sky above Oeyondo, Wonju and Kunni were aimed at increasing joint strike capacity with the U.S. Airforce present in South Korea and fighter planes of the puppet airforce instantly when the Pacific-based fighter-bombers, assault planes, and refuelling tankers entered into the area of operation.

Mobilized there were F-16 fighter-bombers, AV-8 VTOL [vertical takeoff and landing] assault planes, transport planes, and refuelling tankers flown from the U.S. mainland, Japan proper and the Pacific bases, the U.S. 7th Airforce and the puppet airforce, more than 680 military planes of different types, in all.

Meanwhile, the South Korean puppets committed a war exercise getting on our nerve near the Demilitarized Zone of the MDL [Military Demarcation Line], instigated by the U.S. imperialists.

105 MM artillery groups deployed in firing positions in Sangsa-ri, Cholwon County, South Korean Kangwon Province, and Chongja-ri, Paju County, and Wolsan-ri, Yanggu County, fired more than 210 shells in the area of the MDL over August 29-30 and some 70 heavy tanks and armoured vehicles got frantic in war exercise, advancing near the MDL in combat formations on August 29.

Some 40 armed helicopters, transport helicopters of the puppet army had got overheated in aerial strike, in-depth infiltration and aerial transport exercises against us on August 28 and 29.

A total of 2,790 military planes of different types were mobilized in the aerial war exercises in the sky above South Korea from August 28 to 31.

2 Sep Exercises

SK0409050591 Pyongyang KCNA in English
0432 GMT 4 Sep 91

[Text] Pyongyang September 4 (KCNA)—The U.S. imperialist aggressors Monday [2 September] staged provocative joint aerial war exercises to increase the war capacity for northward invasion, according to military sources.

Aerial and ground joint strike, ground support, maritime support and airborne transport exercises were staged for long hours in the skies above Uljin, Wonju, Yoju, Kapyong and Tongduchon with formations of fighter-bombers and assault planes flown from Japan proper and the Pacific bases, fighter-bombers, assault planes, observation planes and reconnaissance planes of the U.S. 7th Airforce present in South Korea and the puppet airforce, more than 250 in all.

Meanwhile, the South Korean puppets are running amok in the adventurous "Ulchi 91" war exercises, instigated by the U.S. imperialists.

Three services of the puppet Army, administrative bodies of puppet government, police and "Homeland Defence Reserve Forces", hundreds of thousands of men all told, have been mobilized in the exercises which started Monday after an "alert order" was issued throughout South Korea.

The South Korean puppets staged a war exercise near the Military Demarcation Line under our very eyes.

On Sept. 2, 105 mm gun and 106.7 mm mortar groups deployed at Munji-ri, Paju County, took position and fired more than 40 shells at random and formations of the puppet Army's "500-MD" armed helicopters staged an aerial war exercise, flying above Munsan area.

A total of more than 600 combat planes of different types were mobilized in the aerial war exercise in the sky above South Korea on Sept. 2 alone.

Reaction to South's Ulchi 91 Military Exercise

SK0409050991 Pyongyang KCNA in English
0424 GMT 4 Sep 91

[Text] Pyongyang September 4 (KCNA)—The No Tae-u ruling group is staging "Ulchi 91" military exercise aimed at invading the North, according to a radio report from Seoul.

The exercise which began Monday [2 September] will continue till September 5.

The military ruling group is staging the war exercise in an atmosphere of real war, crying that the exercise "is going on under conditions of an imaginary war."

The South Korean military ruling group is staging the "Ulchi 91" war exercise at a time when the movement for reunification is rising to the highest tide ever among the 70 million fellow countrymen in the North, South and abroad after the second August 15 pan-national rally. This means that they are hell bent on the preparations for a war against the North, not interested in peace and peaceful reunification.

New 'War Provocation Maneuvers' in South Viewed

SK3008085391 Pyongyang Korean Central Broadcasting Network in Korean 1150 GMT 26 Aug 91

[Commentary by station commentator Chong Pong-kil: "Criminal Maneuvers To Provoke a New War"]

[Text] The U.S. imperialists and the South Korean puppets have more viciously kicked up maneuvers to provoke a new war in recent days. According to military sources, the U.S. imperialists flew a U-2 high-altitude strategic reconnaissance plane in the skies over the Military Demarcation Line [MDL] on 21 and 22 August. They flew repeatedly

from East to West and West to East and purposely committed aerial espionage acts against strategic targets along the central region on the northern half of the Republic for a long time. They also flew an EH-60 helicopter for electronic war and Army strategic reconnaissance planes of various sorts in the skies over the MDL and took pictures and electronic reconnaissance activities on targets in the frontline area of our side.

Meanwhile, as inspired by the U.S. imperialists, the South Korean puppets have frantically conducted ground and air war exercises in the entire section along the MDL. On 22 August, the South Korean puppets deployed 105-mm gun batteries near Chongok-ri, Yonchon County, and (Chongja-ri), Paju County, built an artillery base, and frantically fired scores of cannon balls at the area close to the MDL. On the same day, the rascals moved approximately 20 puppet army tanks, which had been concentrated at (Panjong-ri), Yonchon County, in combat formations toward (Pangong-ri), Paju County, close to the MDL. During this relocation, they conducted a war exercise. Also, they deployed armed helicopters to (Samchon) Peak, north of (Mayon-ri), Chorwon County, and (Sanggi-ri), Kapyong County, South Korea, and opened fire, in front of us, with machine guns at ground targets, thus inspiring an atmosphere of war. The military provocations along the MDL are being perpetrated almost daily these days. On 21 and 22 August, a total of approximately 1,000 planes flew over South Korea to conduct various war exercises.

These maneuvers by the U.S. imperialists and the South Korean puppets are deliberate maneuvers to ignite a new war on the Korean peninsula at all costs and a vicious challenge to our people and the world's people who unanimously hope for peace in Korea and her peaceful reunification. As everyone else well knows, we have made every sincere effort to achieve stable peace on the Korean peninsula and her peaceful reunification. We proposed replacing the Armistice Agreement, signed between us and the United States, with a peace agreement and proposed adopting a nonaggression declaration between us and South Korea and have been persistently making efforts to realize this proposal; however, the U.S. imperialists and the South Korean puppets have turned their backs to our just proposals, built up forces of aggression in South Korea on a large scale, and frantically prepared for war of northward invasion. The rascals have brought large-scale forces and ultramodern war devices and equipment from military bases in the U.S. mainland and the Pacific into South Korea and almost daily conducted such large-scale war exercises as the Team Spirit exercise, which is a test nuclear war and a preliminary war.

Moreover, these days, the rascals have openly mobilized forces of aggression near the MDL, along this line and its vicinity they directly confront us, fired guns and cannons, conducted war exercises, and conducted air reconnaissance activities. This is a deliberate maneuver to find an excuse for war. This is also a development that can only be seen on the eve of war. This means that the danger of war is looming before our eyes.

The U.S. imperialists and the South Korean puppets have conducted provocation maneuvers along the MDL, in which a very tense touch- and-go situation prevails. This is a very dangerous act like playing with fire near a powder keg and an act that only those who seek war, not peace, can commit.

The rascals' maneuvers to provoke a new war are all the more dangerous because they are kicking up such maneuvers at a time when the U.S. imperialists have become more arrogant in the wake of the Persian Gulf War and when they babble that the next regional war will break out most likely on the Korean peninsula. They have also even mapped out a war scenario to deploy approximately 200,000 reinforcing troops there and to wage a fierce 120-day war and are carrying out this plan.

Running counter to the trend of the times, the U.S. imperialists and the South Korean puppets have considered a war on the Korean peninsula as an accomplished fact and are trying to get something by provoking a new war; however, this is a foolish dream. Our people are carefully watching the rascals' new war provocation maneuvers with high revolutionary vigilance and will dole out stern punishments if they recklessly provoke us. The U.S. imperialists and the No Tae-u ring must correctly see reality and act with discretion.

Further Commentary

SK3008053291 Pyongyang KCNA in English 0510 GMT 30 Aug 91

["Premeditated Provocations for War Against North"—KCNA headline]

[Text] Pyongyang August 30 (KCNA)—NODONG SINMUN today comments on the military provocations of the South Korean puppets in the areas along the Military Demarcation Line [MDL] that have entered a very dangerous stage.

Recalling that the South Korean puppets fired large-calibre gun and M-16 automatic rifle bullets and 105-mm artillery shells there on August 26 and 27 and staged provocative ground and aerial war exercises including an air strike by armed helicopters, the news analyst says:

This is a vicious challenge to the entire fellow countrymen and the world's peaceloving people who aspire to an early guarantee of a durable peace in the Korean peninsula and its peaceful reunification. This is one more clear proof what the No Tae-u group has nothing but the criminal intention to seek North-South confrontation and a war against the North.

The frequent military provocations committed by the U.S. imperialists and their puppets in the areas along the MDL are by no means accidental. Thrown into a serious political crisis by the anti-U.S. movement for independence and reunification rapidly growing among the

South Korean people, the puppets are trying to find a way out of it in zealously following the U.S. imperialists' policy of war while suppressing the pro-reunification democratic forces at the point of the fascist bayonet.

The frequent military provocations of the U.S. imperialists and the puppets in the area along the MDL are immediately a deliberate and premeditated act aimed at another war against the North. And they are criminal acts designed to threaten the people and break their spirit of independence, democracy and reunification.

The situation on the Korean peninsula is racing to the brink of war owing to the provocations of the U.S. imperialists and the puppets.

The puppets must immediately stop the criminal military provocations and war moves going against the trend of the times.

If No Tae-u group persistently head for the increase of tensions following the war policy of the U.S. imperialists, ignoring our repeated warnings, it will be held fully responsible for the grave consequences arising therefrom.

U.S., South F-16 Fighter-Bomber Deal Denounced

SK0309064491 Pyongyang KCNA in English
0528 GMT 3 Sep 91

[Text] Pyongyang September 3 (KCNA)—The South Korean authorities officially signed recently a "memorandum" with the United States on the purchase of 120 "F-16" fighter-bombers of next generation for the puppet airforce.

This is under fire in NODONG SINMUN and MINJU CHOSON today.

A NODONG SINMUN analyst says:

In the socalled "memorandum" the U.S. imperialists and the brasshats of the South Korean puppet army announced that 12 of the 120 "F-16" fighter-bombers would be delivered to the puppet airforce as finished products and, in the next stage, accessories be transferred to South Korea for local assembling and, finally, the South Korean puppets would produce the planes for themselves by taking over technologies.

The F-16 is the latest-type figter plane capable of carrying nuclear weapons.

The U.S. imperialists' decision to transfer such nuclear-capable planes to the South Korean puppets and allow their production in South Korea in the future clearly shows once again how zealously the warmongers are working to step up preparations for a nuclear war.

South Korea is now recognised as the biggest nuclear forward base in the Far East where more than 1,000 nuclear weapons are stockpiled and as a place which is fraught with the worst danger of a nuclear war in the world.

Nevertheless, the U.S. imperialists and the South Korean puppets are plotting to produce nuclear-capable planes in South Korea.

Nothing good will be gained by the U.S. imperialists and the South Korean authorities who are scheming to unleash a nuclear war, going against the trend of the times.

Meanwhile, an analyst of MINJU CHOSON demands that the United States give up arms buildup in South Korea, and its scheme for permanent occupation and get out of South Korea without delay, taking along all its troops and destruction weapons, in keeping with the flow of the times as demanded by the world's people.

President Bush's Strategy Report Condemned

SK0309103791 Pyongyang KCNA in English
1000 GMT 3 Sep 91

["NODONG SINMUN on Aggressive Nature of U.S. Imperialists' Formula of 'Settlement of Regional Disputes'"—KCNA headline]

[Text] Pyongyang September 3 (KCNA)—NODONG SINMUN today lays bare the aggressive nature of the formula of "settlement of regional disputes" advertised by the U.S. imperialists.

The author of the article says:

U.S. President Bush in his recent "report on the strategy for state security" submitted to the Congress said that the main task of the U.S. strategy in the future is to "mediate regional disputes" and "evade military conflicts".

Crafty and sinister intention of the U.S. rulers lurks in mapping out a new state strategy the keynote of which is "settlement of regional disputes". Their real purpose is to interfere more blatantly in the regional problems of the world and more zealously and openly commit aggression against those countries which go against the grain with them under the cloak of "settlement of regional disputes" and "prevention of military conflicts".

With this strategy the United States is trying to establish a "new world order" in which the world community would move under its baton by means of containing one by one small and divided countries and those countries which maintain an independent stand.

"Settlement of regional disputes" is a doctrine of aggression and intervention brought forward by the U.S. imperialists to occupy major zones of resources and strategic vantages and stifle and dominate those countries which go against the grain with them.

According to this doctrine, the U.S. imperialists intend to deploy their aggression forces in different parts of the world, fan and give rise to ethnic and state disputes and

armed conflicts, openly interfere in the regional issues under the mask of "mediators" and thus attain their aggressive aim.

The aggression on Grenada and Panama and the Persian Gulf war were direct products of this strategy of "settlement of disputes", the regional strategy of the U.S. imperialists.

According to the demand of the new strategy the United States is promoting a criminal plan to make military adventures against regions and countries which are far off from the United States. For instance it is reinforcing its forces is in its mainland and overseas into a more efficient mobile attack forces. [sentence as received]

This new strategy reveals its open design to expand the sphere of their domination worldwide.

The U.S. imperialists are directing the sharp edge of this reactionary new strategy of armed intervention and war against our country in executing it.

They say that they would give top priority to making preparations to quickly counter the "explosive crisis" in the Korean peninsula, claiming that it is a "region of greatest danger" in the world after the Persian Gulf war.

The Korean people are sharply watching the action of the United States.

U.S. Accused of Plans for 'Nuclear Holocaust'

SK3008050091 Pyongyang KCNA in English
0436 GMT 30 Aug 91

["Nuclear Maniac Seeking Genocide"—KCNA headline]

[Text] Pyongyang August 30 (KCNA)—NODONG SINMUN today denounces the U.S. imperialists' hysteric rampage to plunge mankind into a nuclear holocaust.

The United States carried out the fourth underground nuclear test at the Nevada test ground this year. This is the 711th since the start of a nuclear test there in January 1951, the news analyst says, and goes on:

The unceasing nuclear tests of the U.S. imperialists show that their wild design to dominate the world by nuclear supremacy has not changed at all and the United States is the very one posing a constant nuclear threat to the world people.

The United States is preparing a greater crime than the massacre in Hiroshima and Nagasaki.

Captive to the dream to realise their wild ambition for world domination with strength, the U.S. imperialists make no bones of imposing nuclear disasters upon mankind.

The United States intends to start a nuclear war for their strategy of world domination on the Korean peninsula.

Today the Korean peninsula is the area where the danger of nuclear war is greatest. The U.S. false propaganda about "nuclear development" of the North is a plot to justify the deployment of nuclear weapons in South Korea and find a pretext to provoke a nuclear war.

No one can vouch that the U.S. nuclear weapons in South Korea will not fly to its neighbouring countries to repeat the Hiroshima tragedy, if a nuclear war broke out on the Korean peninsula.

The United States should give up its criminal nuclear war scheme in Korea and withdraw from South Korea, taking along its nuclear weapons.

Further on Kim Yong-sun's Remarks on Socialism

OW0309115691 Tokyo KYODO in English
1141 GMT 3 Sep 91

[Text] Pyongyang, Sept. 3 KYODO—Kim Yong-sun, secretary for international affairs of North Korea's ruling Korean Workers' Party, said Tuesday that Pyongyang will continue with its own style of socialism despite recent political upheavals in the Soviet Union.

In a three-hour meeting with a group of Japanese reporters, Kim stressed that North Korea has a firm policy of building socialism based on "chuche," a style of "self-reliant" communism established by North Korean Leader Kim Il-song.

Kim said he hopes the Soviet people will successfully control the current political situation and bring stability to Soviet society as soon as possible.

So far, North Korean's official media has [as received] reported events in the Soviet Union, but without making any official comment on the situation.

Referring to the conclusion of a fourth round of normalization talks between Japan and North Korea, Kim said future progress in negotiations "will depend on whether Japan will change its stance toward the talks."

The four-day talks ended in Beijing Monday without any major agreements, but with both sides agreeing to meet again in early November.

Japan and North Korea remain at odds over many issues including international inspection of North Korean nuclear facilities and a Japanese demand for information on a Japanese woman allegedly kidnapped by North Korean agents.

Japan has urged North Korea to comply unconditionally with International Atomic Energy Agency (IAEA) inspection accords.

Kim reiterated, however, a North Korean demand that U.S. nuclear weapons allegedly deployed in South Korea also be subject to international inspection, saying, "It is unfair for nuclear powers to press nations without nuclear weapons to accept the inspection."

On relations between North Korea and the United States, Kim said, "It is high time that the two nations have talks to improve bilateral ties," adding that Pyongyang contacts Washington through various channels other than official contacts in Beijing.

Commenting on the fourth round of inter-Korean prime ministerial talks to be held in Pyongyang from October 22, Kim said he expects some progress in the adoption of a nonaggression pact between North and South Korea.

Japan Accused of Attempt To Delay Talks

SK0409051091 Pyongyang KCNA in English 0447 GMT 4 Sep 91

["Japanese Side Must Take Sincere Attitude and Stance at DPRK-Japan Talks"—KCNA headline]

[Text] Pyongyang September 4 (KCNA)—Japan must take a sincere attitude and stance at the DPRK-Japan talks, if she really wants to make a clean sheet of the past wrongs and normalize relations with the DPRK, says NODONG SINMUN in a commentary today.

Recalling that at the fourth round of intergovernmental full-dress talks for the normalization of DPRK-Japan diplomatic relations held in Beijing the Japanese side tried to create the impression that the DPRK side was to blame for the postponement of inter-Korean high-level talks, the news analyst says:

This is a distortion of facts and an interference in our internal affairs.

As is known to the world, the fourth inter-Korean high-level talks were put off due to the spread of cholera in South Korea.

Although we proposed to shift the venue of the inter-Korean high-level talks from Pyongyang to Panmunjom with a view to bringing the talks to a success at an early date, the South Korean side offered to move the date down to October when the cholera infection might be prevented, and the talks were postponed under agreement between the two sides.

It is outrageous for Japan, which is taking preventive measures against cholera now prevalent in South Korea, to blame us for the inter-Korean high-level talks moved back to a later date for the same reason.

The stand of the Japanese side cannot be construed otherwise than an insidious attempt to intentionally lay obstacles in the way of the talks and delay discussion of matters.

The Japanese side seems to have made the statements off the point at the DPRK-Japan talks at someone's request, and this does not become their much vaunted "independent diplomacy."

A news analyst of MINJU CHOSON says that if Japan intends to create difficulties to the talks by persistently taking issue with the postponement of the inter-Korean high-level talks and calling for "nuclear inspection" and attain some insidious purposes, it is a foolish attempt.

Japan must sincerely approach the talks with feasible matters, if she truly wants to normalize diplomatic relations with the DPRK, stresses the news analyst.

PRC's Wang Zhen's Support of Socialism Noted

SK3008011791 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 27 Aug 91

[Text] According to a XINHUA news report, PRC Vice President Wang Zhen inspected Xinjiang Autonomous Region from 16 to 24 August. He called on the people and soldiers of each state in Xinjiang to unite more firmly with the party Central Committee, which considers Comrade Jiang Zemin its core, to adhere to Marxisim-Leninism and Mao Zedong Thought, and to advance staunchly along the road of socialism. He then encouraged them to defend the socialist system and attain a new victory in building socialism.

Wang Zhen stressed that he came to Xinjiang at the directives of General Secretary Jiang Zemin, President Yang Shangkun, and Premier Li Peng. He said that in the wake of the current international storm, we should cherish more firmly the faith in socialism and communism. It is beyond doubt that although vicissitudes may lie on this road and although the struggle may be acute, the future of this road is brilliant.

We have Comrade Deng Xiaoping's lines for economic construction as the key task and for maintaining the four cardinal principles and reform and opening. We have the great, glorious and precise Communist Party of China, and a population of over 1.1 billion in 56 states, which are firmly united as one (?fist).

Through the long, unwavering struggle of the revolutionaries over generations, the socialist cause will constantly develop, and communism will be realized without fail.

Wang Zhen continued with the following: Comrades Deng Xiaoping and Jiang Zemin are the second and third generation leaders of our party. They inherited the cause of the Chinese revolution and socialism pioneered by President [Chusok] Mao, the great leader, and are firmly traversing along the path of socialism by leading us.

Li Peng is also a tenacious Marxist leader. Under the correct leadership of the party Central Committee, we victoriously repressed upheavals and counterrevolutionary riots amid major international changes and small domestic changes. We maintained the line of socialist reform and opening by staunchly opposing bourgeois liberalization.

This year we suffered flood damage. However, the people throughout the country became more united,

domestic politics became stabilized, and the economy developed. This shows that our party's leadership is persistent and mighty.

Wang Zhen pointed out the following: The basic factor in winning victory in antipeaceful evolution is to arm the entire party and, in particular, the high-ranking cadre party members, with Marxism-Leninism and Mao Zedong Thought. Only by doing so, will we not lose the political direction forever and will we have clear thinking in the complex and arduous struggle.

In particular, we should constantly study the collection of Mao Zedong works and books of Comrade Deng Xiaoping. We should study the major speeches made by Comrade Jiang Zemin on the occasion of the 40th anniversary of the founding of the nation and on the 70th anniversary of the founding of the party, as well as the report on the government's works made by Comrade Li Peng at the fourth session of the seventh National People's Congress.

Marxism-Leninism and Mao Zedong thought are the theoretical basis of our ideology and a basic guarantee for victory in the Chinese revolution and socialist cause.

When he visited a military unit in (Nanguan), Xingjiang, Wang Zhen stressed that this unit should inherit and demonstrate the glorious tradition and that the indoctrination of the party's basic lines and anticorruption and anti-infiltration indoctrination should be strengthened within the party. He pointed out that the units of the People's Liberation Army should become the units which are truly loyal to the party's cause as a solid cornerstone for popular democratic dictatorship [inmin-minjujui tokchae]. They should form an iron-clad army for achieving national reunification and defending the socialist system and should obey the party's directives.

China To Firmly Advance on Socialist Road

SK2908124091 Pyongyang Korean Central Broadcasting Network in Korean 1000 GMT 28 Aug 91

[Text] According to a XINHUA report, in a press conference held on 27 August, spokesman for the Chinese State Council said that the Chinese people will firmly advance along the road of their own choice, without wavering, and propel the socialist modernization construction without interruption, no matter how the international situation may change.

He also stressed that the primary reason for the sustained economic growth in China stems from the fact that the lines and policies enforced by China are correct, as well as from the fact that proceeding from that country's situation, China has built socialism with Chinese characteristics, keeping reform and opening up in place.

Then, he said that China's economy, politics, and society are stable.

Anniversary of Nonaligned Movement Hailed

SK0109090791 Pyongyang KCNA in English 0822 GMT 1 Sep 91

["Papers Observe Day of Non-Alignment"—KCNA headline]

[Text] Pyongyang September 1 (KCNA)—Papers here today observe day of non-alignment.

In an editorial article titled "For Strengthening and Development of Non-Aligned Movement (NAM)" NODONG SINMUN says that over the past 30 years, NAM has struggled against the imperialists' policy of aggression and war, all manner of domination and subjugation and inequality and thus contributed to safeguarding peace and security of the world and the people's sovereignty and solving questions arising in international relationship in conformity with the people's desire and demand for independence.

NAM must keep hold [as received] as high as ever the banner of independence against imperialism, of peace against war and of non-alignment in order to fulfil its mission to the times and history, the paper says, and continues:

To avert the danger of a new war, a nuclear war, and safeguard peace and security of the world is a most important task facing NAM.

Today, the Korean peninsula is a place fraught with the greatest danger of a nuclear war on the earth. The withdrawal of the U.S. nuclear weapons from South Korea and the denuclearization of the Korean peninsula is an urgent requisite to peace in Asia and the rest of the world. NAM will launch more vigorously the struggle to strengthen solidarity with the anti-war, anti-nuke peace movement, check and frustrate imperialists' moves of aggression and war and defend peace and thus greatly contribute to the cause of world peace.

It is more urgent than ever before for NAM to struggle to defend anti-imperialist stand for independence and establish a new fair international order.

People of the non-aligned countries must struggle to destroy the unfair old international relations and establish a fair new international order.

The imperialists are viciously scheming to disorganize and weaken the non-aligned movement. Under such condition, it is all the more important to strengthen its unity. The non-aligned countries must counter the imperialists' alienation moves with a strategy of unity so as to increase the might and role of NAM.

To develop South-South cooperation is a way for the non-aligned countries to overcome economic difficulties and achieve self- reliance in economy in a short time. The non-aligned countries must actively strive to bring

into practice the decisions and action program which had already been adopted in regard to South- South cooperation.

Our Republic, a dignified NAM member nation, will firmly unite and closely cooperate with the non-aligned countries in accomplishing the common cause of independence against imperialism and make every possible effort to strengthen and develop NAM.

MINJU CHOSON in an editorial stresses that the non-aligned countries must firmly unite politically and closely cooperate economically and technically and thus vigorously step up the cause of independence against imperialism.

Cuban Health Delegation Arrives 30 Aug

SK3008113791 Pyongyang KCNA in English 1032 GMT 30 Aug 91

[Text] Pyongyang August 30 (KCNA) —A Cuban Government Health Delegation headed by Jose Baudilio Jardinez Mendez, vice-minister of health, arrived here today.

A delegation of functionaries of the General Association of Korean Residents in Japan (Chongnyon) and a home-visiting group of students of Choson University arrived in Wonsan by ship "Samjiyon" and a home-visiting group of Koreans in the Soviet Union in Pyongyang on August 29 to visit socialist homeland.

Burkina Faso's President Meets Delegation

SK0309054291 Pyongyang KCNA in English 0508 GMT 3 Sep 91

[Text] Pyongyang September 3 (KCNA)—Burkinabe President Blaise Compaore on August 31 met a DPRK Government delegation led by Vice-Premier and Foreign Minister Kim Yong-nam.

The head of the delegation conveyed greetings of President Kim Il-song and Comrade Kim Chong-il to President Blaise Compaore.

The Burkinabe president expressed deep thanks for this and asked the head of the delegation to convey to the great leader His Excellency President Kim Il-song and the dear leader His Excellency Kim Chong-il his best wishes for their good health and long life.

He said he was deeply moved by their wise leadership, bravery and courage.

Noting that he will make every possible effort to develop friendly relations with the DPRK, he declared that Burkina Faso will continue to support and encourage the Korean people's struggle for peace and reunification of the country.

Catholic Group Leaves for China Visit

SK0209102891 Pyongyang KCNA in English 1012 GMT 2 Sep 91

[Text] Pyongyang September 2 (KCNA)—A delegation of the Korean Roman Catholics Association led by chairman of its Central Committee Chang Chae-chol left here today to visit China.

Meanwhile, newly-appointed Egyptian Ambassador Extraordinary and Plenipotentiary to Korea 'Ali al-Mutawalli Hijazi arrived here.

International Children's Union Camp Expanded

SK2908153391 Pyongyang KCNA in English 1458 GMT 29 Aug 91

[Text] Pyongyang August 29 (KCNA)—The International Children's Union Camp is being admirably expanded in Songdowon, a scenic spot on the east coast of Korea as a monumental edifice in the age of the Workers' Party.

The camp includes a Camp Housela Hall and a restaurant and other modern buildings and a fun-fair, a boating ground and other facilities for emotional life.

The Cami House with a total floor space of more than 28,000 square metres is peculiar in its structural form to suit the psychological characters of school children from different countries.

All the structures form a gigantic ship sailing on ocean carrying school children of the five continents who consolidate the bonds of friendhip, helping and leading one another forward.

The hall with a total floor space of 14,000 square metres will have an auditorium of 1,200 seats, a stage, an art circle room, a fine art circle room, a craftsmanship exhibition room, a room for disseminating oceanographic knowledge and other circle rooms, an entertainment hall and sports activity rooms.

An international post room and public service establishments equipped with modern facilities will be built.

The camp accomodates 1,200 in a term.

Students Propose Meeting South Counterparts

SK0409054391 Pyongyang KCNA in English 0509 GMT 4 Sep 91

[Text] Pyongyang September 4 (KCNA)—A spokesman for the student committee of Kim Il-song University answered questions put by a KCNA reporter on September 3 regarding the fact that the student council of the National Language Course of Konguk University of South Korea proposed to the Korean National Language Department of Kim Il-song University independent cooperation and exchange between the two courses.

He said:

As already reported, the student council of the National Language Course of Konguk University in South Korea had sent a letter to the Korean National Language Department of Kim Il-song University containing a proposal to establish sisterly ties and realize independent cooperation and exchange between the students of the two courses.

In the letter they proposed to conduct independent cooperation and exchange as part of the struggle to achieve great national unity and accelerate national reunification and to hold working- level talks between delegates of the two universities to discuss relevant matters in Seoul on August 12 and 13 when the August 15 grand reunification festival of students in the North, the South and overseas would be held and, in case they should fail, to hold the talks at Panmunjom on September 5.

Considering the proposal of the student council of the National Language Course of Konguk University an excellent one reflecting the desire of all the students in the North and the South, the student committee of Kim Il-song University had made full preparations to meet with delegates of the general student council of Konguk University in Seoul to discuss the question of cooperation and exchange between the two universities.

However, as the South Korean authorities had blocked the August 15 grand reunification festival of students in the North, the South and overseas the plan to meet and discuss the question of cooperation and exchange between students and other matters of common concern in Seoul on August 12 and 13 ended abortive.

Our student committee of Kim Il-song University will send its two delegates to the conference room of the Neutral Nations Supervisory Commission at Panmunjom at 15:00 September 5 (Thursday) as proposed by the student council of the National Language Course of Konguk University.

Chondaehyop Students Attend Pyongyang Concert

SK3008043391 Pyongyang KCNA in English
0419 GMT 30 Aug 91

[Text] Pyongyang August 30 (KCNA)—A concert of students of Pyongyang University of Music and Dance on the theme of anti-war, anti-nuke, anti-U.S. and peaceful reunification was given on August 29 on the occasion of the joint peace month of students in the North, the South and overseas for the denuclearisation of the Korean peninsula and the adoption of a nonaggression declaration.

Present there were Yi Chan, vice-chairman of the Korean Students Committee, leading staff of the university, Pak Song-hui and Song Yong-sung, delegates of the National Council of Student Representatives (Chondaehyop) of South Korea staying in Pyongyang, and others.

Addressing the concert, the vice-chairman of the Students Committee of the university said that the Korean students must daringly fight for the withdrawal of the U.S. imperialist aggression forces and nulcear weapons from South Korea so that the source of a nuclear war may be eliminated and a durable peace and stability settle on the land of the motherland.

Colorful art pieces were put on the stage of the concert which began with the piano concerto "Korea Is One".

Delegate of Chondaehyop Pak Song-hui mounted the stage and sang together with students, the song "Let Us Devote Our Mind and Youth" jointly written and composed by the Korean Students Committee and Chondaehyop.

Chondaehyop Students Appear at Oratorical Contest

SK3108103591 Pyongyang KCNA in English
1011 GMT 31 Aug 91

[Text] Pyongyang August 31 (KCNA)—An oratorical contest and poem-recital of students of Wonsan University of agriculture was held at the university on August 30 on the theme of anti-war, anti-nuke and anti-U.S. peaceful reunification on the occasion of the joint peace month of students in the North, the South and overseas for the denuclearisation of the Korean peninsula and the adoption of a non-aggression declaration.

Present there were Kil Hak-kyun, chairman of the Kangwon Provincial Committee of the League of Socialist Working Youth, the president of the university and officials of its student committee and students, and Pak Song-hui and Song Yong-sung, delegates of the National Council of Student Representatives (Chondaehyop) of South Korea.

At the meeting which began with a chorus of "Korea Is One", Pak Ok-hui, Chon Yong-tu and other students recited poems and made eloquent speeches on the subjects "Let Us Meet at Any Cost", "Chondaehyop, Immortal Fighter for Reunification" and so forth denouncing with bitter resentment the U.S. imperialists, the chieftain of national division and the enemy of the country's reunification who have converted the whole of South Korea into a land of colonial pillage and a nuclear arsenal.

When the meeting surged to a high tide, delegate of Chondaehyop Pak Song-hui recited the poem "The Motherland Is One" written by a South Korean poet.

Kim Il-song Receives Italian Professor

SK3108104991 Pyongyang KCNA in English
1018 GMT 31 Aug 91

[Text] Pyongyang August 31 (KCNA)—The great leader President Kim Il-song today received Prof. and Dr. Giancarlo Elia Valori, secretary general of the Italian Institute of International Relations, on a visit to Korea.

Present there was Kim Yong-sun, secretary of the Central Committee of the Workers' Party of Korea.

President Kim Il-song conversed with the guest in a cordial and friendly atmosphere.

He was presented with a gift by the guest.

He arranged a luncheon for the guest.

Gift for Kim Chong-il

SK3108105391 Pyongyang KCNA in English 1029 GMT 31 Aug 91

[Text] Pyongyang August 31 (KCNA)—The dear leader Comrade Kim Chong-il received a gift from the secretary general of the Italian Institute of International Relations on a visit to Korea. It was handed to Kim Yong-sun, secretary of the Central Committee of the Workers' Party of Korea, by Secretary General Giancarlo Elia Valori.

Kim Il-song Sends Greetings Worldwide

Message to SRV Leaders

SK0109092391 Pyongyang KCNA in English 0850 GMT 1 Sep 91

[Text] Pyongyang September 1 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, sent a message of greetings today to Comrade Do Muoi, general secretary of the Central Committee of the Communist Party of Vietnam, and Comrade Vo Chi Cong, president of the State Council of the Socialist Republic of Vietnam, on the occasion of the 46th anniversary of the national day of Vietnam.

President Kim Il-song in his message said that the Vietnamese people won the complete liberation of the country and its reunification through a protracted rigorous struggle against the aggression and intervention of the imperialists after the founding of the Democratic Republic of Vietnam and are today vigorously advancing along the road of socialism chosen by them under the leadership of the Communist Party of Vietnam.

Expressing the belief that the friendly and cooperative relations forged between the two parties, two countries and two peoples in the common struggle for the victory of the socialist cause against imperialism would grow stronger and develop, he wished the party and state leaders and the people of Vietnam greater success in their work to implement the decisions of the 7th Congress of the Communist Party of Vietnam.

Greetings to Tunisian President

SK0209101891 Pyongyang KCNA in English 0958 GMT 2 Sep 91

[Text] Pyongyang September 2 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea today sent a message of greetings to President Zine El Abidine Ben Ali of the Republic of Tunisia on his 55th birthday.

In his message President Kim Il-song wished the Tunisian president good health and happiness and great success in the work for the national unity and the country's prosperity.

Greetings to Malaysian King

SK3008105091 Pyongyang KCNA in English 1009 GMT 30 Aug 91

[Text] Pyongyang August 30 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea sent a message of greetings to King Sultan Azlan Shah of Malaysia today on the occasion of the 34th anniversary of the independence of his country.

In the message President Kim Il-song expressed the belief that the friendly relations between the two countries would further develop and wished the King and the people of Malaysia greater success in their endeavours for the country's prosperity.

Message to Trinidad President

SK3008105791 Pyongyang KCNA in English 1012 GMT 30 Aug 91

[Text] Pyongyang August 30 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea sent a message of greetings to President Noor Hassanali of the Republic of Trinidad and Tobago today on the occasion of the 29th anniversary of the independence of his country.

In his message president Kim Il-song wished the president and the people of Trinidad and Tobago great success in their work for the stability and prosperity of the country, expressing the belief that the friendly relations between the two countries would further develop.

Yon Hyong-muk Message to Vietnam Counterpart

SK0409052591 Pyongyang Korean Central Broadcasting Network in Korean 1500 GMT 1 Sep 91

[Text] Comrade Yon Hyong-muk, premier of the State Administration Council, sent a congratulatory message to Comrade Vo Van Kiet, chairman of the Council of Ministers of the Socialist Republic of Vietnam.

The congratulatory message says that he sends enthusiastic congratulations on the occasion of the 46th anniversary of the Socialist Republic of Vietnam's national holiday, which is a national holiday of the Vietnamese people.

Comrade Yon Hyong-muk continues by saying: The Korean people are truly happy about the great results being achieved in the nation's construction by upholding the banner of socialism by the fraternal Vietnamese people. Through this opportunity, I believe that the traditional friendly and cooperative relations between the two countries will be further strengthened and developed in opposing imperialism and in the common struggle of achieving the socialist cause. I also hope that there will be great results in your responsible work in fulfilling the decisions of the seventh party congress.

O Chin-u Sends Greetings to New Lao Minister

SK3008114591 Pyongyang KCNA in English 1040 GMT 30 Aug 91

[Text] Pyongyang August 30 (KCNA)—Vice-marshal of the Korean People's Army O Chin-u, minister of People's Armed Forces, sent a message of greetings to Colonel General Choummali Sai-ngasong on the latter's appointment as minister of national defence of the Lao People's Democratic Republic.

Expressing the belief that the friendly relations between the armies of the two countries would constantly consolidate and develop, the message wished the Lao defence minister success in his new important work.

Kim Il-song Gives Guidance in Province 20-30 Aug

SK0309054391 Pyongyang KCNA in English 0447 GMT 3 Sep 91

[Text] Pyongyang September 3 (KCNA)—The great leader President Kim Il-song gave on-the-spot guidance in the work of various domains of the national economy in North Hamgyong Province and called departmental consultative meetings from August 20 to 30.

He guided the Musan mining complex on the spot.

Going round mining districts and the mechanic and power shop and other production sites, he noted with deep satisfaction that the complex has turned into a leading iron ore production base well appointed with modern large excavating equipment and highly praised the remarkable achievements made by the workers of the mine in iron headings production by displaying greatest devotion to the party and revolution and encouraged and inspired them in their work.

He warmly met Yi Tae-myong, secretary of the departmental party committee of the Sixth Ore Transport Corps, who is the first son, and labor hero Yi Yang-pu, a truck driver of the Sixth Ore Transport Corps, who is the third son, of the father-and-three-son drivers of the Cholsan Hill, who had done a lot of work for the prosperity and development of the country after been embraced in the bosom of the socialist homeland from Japan, and highly praised the patriotic deeds of the father-and-three-son drivers.

President Kim Il-song gave on-the-spot guidance to the Hoeryong foodstuff association.

Looking round the production processes of the association including the cigarette production process, he gave instructions to produce greater quantities of quality food and luxury goods by keeping production on a high level.

He guided the Wangjaesan co-operative farm in Onsong County, on the spot.

He expressed deep satisfaction over the fact that the farmers have brought bumper crops rare to be seen by placing farming on a scientific and technical basis as required by the chuche method of farming. And he set forth concrete tasks for radically increasing agricultural production in the Tuman River basin.

President Kim Il-song guided the Ilhyang cooperative farm in Kyongsong County on the spot.

After acquainting himself with the crops ruling good on the seashore farm which is frequently shrouded in sea fog, he gave instructions to make a good farming to suit the local climate.

He gave on-the-spot guidance to the Kyongsong branch experimental farm of the Academy of Agricultural Sciences.

He set tasks before agricultural science which is of weighty importance in developing agriculture.

After deeply acquainting himself with the economic development of the province, President Kim Il-song called departmental consultative meetings and gave highly important teachings which would serve as a guideline in lifting the national economy of the province to a new, higher stage.

He said that the most important tasks facing the province is to steadily boost iron production, with it abounding in large-scale iron and steel works of nation-wide significance such as the Kim Chaek iron and steel complex and the Songjin steel complex.

If the province is to produce an increased amount of coal, he said geological prospecting must be strengthened to secure enough new coal fields and the mechanisation of coal cutting be powerfully promoted.

He said the construction of the Kim Chaek thermal power plant, the Orangchon power station and minor power stations must be actively accelerated and completed along with the increase of the capacity of the existing power stations.

He said that necessary equipment and materials should be supplied sufficiently to rapidly increase timber production.

He stressed that big efforts should be bent for an increased production of fertilizers to be sent to rural communities and varieties of chemical products

including chemical fibres be produced in larger quantities and sent to light industrial factories.

He stressed the need to increase the production capacities of salterns and, at the same time, to build new salt factories and and widely produce salt by waste heat at industrial establishments in the east and west coastal areas.

In order to supply more high-quality consumer goods and foodstuffs to the people, it is necessary to continually carry through the party's policy of revolution in the light industrial domain, he emphasized.

He said aquaculture should be developed on an extensive scale to turn out more aquatic products including sea tangle, kelp and mussel.

He expressed deep satisfaction over the fact that North Hamgyong Province has brought about crops unusually good this year by effectively carpeting fields with humus soil and conducting fruitful agricultural scientific researches, and extended thanks, in the name of the Central Committee of the Workers' Party of Korea, the DPRK Government and on his own behalf, to the North Hamgyong provincial party committee which has registered many successes by strengthening guidance to farming and making strenuous efforts to carry through the party's policy of effecting a green revolution.

He said one of the important factors of unusually good crops on farms this year is a result of the all-people drive to raise the fertility of soil through soil-carpeting, adding that continued vigorous efforts should be made to increased the fertility of paddy and nonpaddy fields.

He taught that North Hamgyong Province should actively inspire the cultivation of industrial crops including tobacco and medicinal herbs to suit local topographical conditions as well as rice and maize farming.

He laid stress on the need to increase the production of livestocks and cocoons.

Noting that the cherished desire of our people who wanted to live in good dwellings, well fed and well clad, is successfully being brought into reality in the age of the Workers' Party thanks to our party's popular policies and to the might of the rapidly developing independent national economy, he said all the people must wage a vigorous struggle, upholding the party's slogan "Let us live our own way!," and thereby accomplish the cause of socialism chosen by themselves at an earlier date.

Further on Activities

SK0309052191 Pyongyang KCNA in English 0445 GMT 3 Sep 91

[Text] Pyongyang September 3 (KCNA)—The great leader President Kim Il-song guided on the spot the work of various domains of the national economy in North Hamgyong Province including the Musan mining complex, the Hoeryong foodstuff association, the Wangjaesan cooperative farm in Onsong County, the Ilhyang cooperative farm in Kyongsong County and the experiment farm of the Kyongsong branch of the Academy of Agricultural Sciences from August 20 to 30.

After deeply acquainting himself with the economic development of the province, he called departmental consultative meetings and gave highly important teachings which would serve as a guideline in developing the national economy of the province to a new, higher stage.

* Council Reviews May Economic Performance

912C0257A Pyongyang MINJU CHOSON in Korean 12 Jun 91 p 1

[Unattributed article: "Let Us Brilliantly Overfulfill the June National Economic Plan: Report on the Plenary Session of the State Administration Council"]

[Text] The State Administration Council held a two-day plenary session in Pyongyang on 7 and 8 June at a time when under the wise leadership of the party and the leader, all workers of the country are vigorously accelerating in every aspect of socialist construction the grand forward march movement designed to give full play to the superiority and invincibility of our own style of socialism centered on the popular masses, upholding the banner of three revolutions, ideological, technological, and cultural.

Present at the meeting were Comrade Yon Hyong-muk, premier of the State Administration Council; the vice premiers of the State Administration Council; the chairmen and vice chairmen of various committees and the ministers and vice ministers of various ministries of the State Administration Council; and other members of the State Administration Council.

In addition, functionaries of central and local administrative organs and functionaries of major factories and enterprises attended the plenary session as observers.

The plenary meeting summed up the results of fulfillment of the May national economic plan and discussed measures to successfully fulfill the June national economic plan.

At the meeting Vice Premier Comrade Choe Yong-nim delivered a report, and many other comrades took part in the discussion.

As referred to in the reports and discussion, many successes were achieved in the struggle to fulfill the May national economic plan.

Our workers throughout the country, including those in the extractive, power, and machine industries, waged a vigorous struggle for increased production and conservation and effected great innovations by giving full play to the revolutionary spirit of self-reliance and fortitude, with their fervent loyalty to the party and the leader.

Musan Mining Complex, Pyongyang Thermal Power Generating Complex, Yongsong General Machine Bureau, and many other factories and enterprises overfulfilled their May national economic plans.

The reporter and speakers at the meeting unanimously pointed out that all these achievements represent the fruition of the sagacious leadership of the great leader Comrade Kim Il-song and the energetic guidance of the dear leader Comrade Kim Chong-il.

The dear leader Comrade Kim Chong-il, member of the Standing Committee of the Political Bureau of the WPK [Workers Party of Korea] Central Committee and secretary of the party Central Committee, pointed out as follows: "State decisions and instructions and state plans are intended to implement the teachings of the great leader Comrade Kim Il-song and party policies, and they are the laws of the state."

It was stressed at the plenary session that all state economic guidance functionaries should vigorously organize and mobilize the masses and actively seek out and utilize all inner reserves by giving play to the revolutionary spirit, party character, working-class spirit, and people-mindedness, in order to overfulfill the June national economic plan brilliantly.

Stressing that giving definite priority to the extractive industry, the coal industry in particular, is the most important link in successfully implementing the current economic tasks, the meeting pointed out that coal mines should continue to fulfill their daily coal production goals brilliantly by giving definite priority to tunneling and stripping and operating coal mining equipment at full capacity, and at the same time, actively accelerate the new vertical shaft and other coal mine development projects which are scheduled to be completed in the first half of the year, and take measures to satisfactorily insure their operation on schedule. The meeting also pointed out that all sectors of the national economy should energetically support the coal industry.

The plenary meeting called upon the mining sector to increase the copper output decisively while continuing to exert major efforts for the production of zinc and lead output, and called upon the power industry to overfulfill the standard power supply plan each month without fail by operating the thermal power plants at full capacity and organize regional cross-production in a rational manner.

The plenary meeting pointed out that the transportation sector should effect innovations by always keeping in mind the great leader's teaching that production means transportation and transportation means production, and that it is an urgent task confronting the railway transportation sector in particular to organize and command transportation work properly, with a firm grip on the party policy on concentrated transportation, and thoroughly observe discipline and order in the operation of the railways. Importantly, the meeting stressed that the whole country and all the people should support and assist the railway sector more vigorously.

The plenary meting pointed out that the monthly rolled steel production goal should be overfulfilled without fail by decisively increasing the production of iron and steel materials and outlined the militant tasks for the machine and building material industries and other sectors of the national economy, along with the means for implementing these tasks. It also outlined the tasks for the construction sector to continue to vigorously accelerate the construction projects of the Sariwon Potash Fertilizer Complex, the Namgang Power Plant, the 9 October Iron and Steel Complex, the December Thermal Power Plant, and the East Pyongyang Thermal Power Plant, as well as the 50,000 housing unit construction project in the capital, along with measures to implement them.

The plenary meeting called on all sectors of the national economy to overfulfill the exportable goods production goals by the indicators on time, by upholding the party call for export and production and continuing to hold fast to the principle of giving priority to the production of exportable goods, and also called on the railway transportation sector to pick up and transport various exportable goods on time, and urged all pertinent sectors to step up trading activities energetically to purchase goods we need from abroad.

The plenary meeting paid special attention to problems related to the thorough implementation of the party policy for improving the people's livelihood.

In this connection, the meeting pointed out that nothing is more important than doing his year's farm work well and stressed that in the agricultural sector the achievements made in rice transplanting should be expanded and developed more fully by doing all farm work in a scientific and technical way to suit the demands of the chuche method of farming.

As pointed out at the plenary meeting, all concerned sectors, including the chemical and mining industries, and their factories and enterprises should organize the production of chemical fertilizers and agricultural chemicals in a planned manner in order to produce and supply nitrogenous and phosphorous fertilizers and agricultural chemicals on time in a satisfactory manner so that there may be no hindrance to the process of the seasonal farm work; and every sector of the national economy and each provincial administrative and economic guidance committee should wage a mass movement to produce pulverized manure in a big way for delivery to the countryside. At the same time, the pertinent sectors should work out foolproof measures to insure the supply of parts needed in repairing various farm machines and tractors; and the Power Industry Commission should responsively insure the supply of electric power necessary for the pumping of irrigation water.

We must exert concentrated efforts to produce consumer goods.

Functionaries in the industrial sector should actively seek out and mobilize all inner reserves with self-awareness as masters responsible for the production of consumer goods and wage a struggle to run light-industry factories at maximum capacity; and various committees, ministries, and provinces, as well as factories and enterprises, should operate their daily necessity shops and work teams properly in order to increase the output of various consumer goods and improve their quality decisively.

The fishery sector should wage an active struggle for summertime fishing and concentrate efforts on the on-shore breeding of tangles and other brown seaweed in order to increase the output of marine products.

The plenary meeting pointed out that in all sectors of the national economy the technological revolution should be vigorously carried out so that the science and technology development plan may be fulfilled without fail.

Importantly, the plenary meeting pointed out that each provincial administrative and economic guidance committee should thoroughly implement various aspects of the party policy on the local budget and vigorously step up the struggle for increased production and conservation so that the state budgetary revenue plan may be executed satisfactorily.

The plenary meeting set immediate tasks for all sectors of the national economy to take minute, thoroughgoing, foolproof measures to brace for the imminent flood season.

The plenary meeting called upon the functionaries of each committee and ministry of the State Administration Council, each province, and each factory and enterprise to go deep among the masses as required by the Chongsan-ri spirit and method and the Taean work method to set their inexhaustible creative ability in motion to the fullest by conducting vigorous political work, while commanding production and construction in a responsible manner by organizing the whole spectrum of economic management work in a foolproof manner.

All participants in the plenary meeting renewed their firm determination to brilliantly overfulfill the June national economic plan and the first half-year economic plan of 1991 without fail and thus present a report of loyalty to the great leader and the dear Comrade Kim Chong-il, by raising high the banner bearing the revolutionary slogan "Serving for the people!" and by faithfully discharging their duty as loyal servants of the people in creation and construction and in every aspect of social life.

New Mining District at Musan Developed

SK3008104291 Pyongyang KCNA in English 1005 GMT 30 Aug 91

[Text] Pyongyang August 30 (KCNA)—A new mining district is being developed at the Musan Mining Complex, a gigantic iron headings producer situated in the northern part of Korea.

Its excavating area reaches hundreds of thousands of square metres.

The development of the new mining district is part of the undertakings to turn the complex into an iron headings producer with a 15 million ton capacity.

Its builders are pushing ahead with the project at a high speed, which involves the preparation for a blast of 250,000 cubic metres.

Daily Views Kim Il-song Work on Reunification

SK3008115591 Pyongyang KCNA in English 1025 GMT 30 Aug 91

["Great National Unity, a Patriotic Line"—KCNA headline]

[Text] Pyongyang August 30 (KCNA)—NODONG SINMUN today carries an article headlined "Line of Great National Unity is Patriotic Banner".

The paper says:

The great leader Comrade Kim Il-song in his recent historical work "Let Us Achieve the Great Unity of Our Nation" stressed that the first and foremost task in the cause of national reunification is to achieve the great unity of our nation.

This line of great national unity is a just line to strengthen the driving force of reunification in the composition of the pro-reunification force and attain an overwhelming predominance of this force over the splittist force and, at the same time, a patriotic line representing loving care to lead all the members of the nation along a road of patriotism and stand them at the square of reunification. The great leader has long since regarded the problem of national reunification as the achievement of genuine concord and unity of the whole nation in essence and proceeded from the stand that all can unite in the struggle for the common cause of the nation despite differences in idea and ideology, political view and religious belief in the North and the South. So Mr. Kim Ku who had hated the Communists as his enemy took the road of alliance with communism right after the liberation of the country and Mr. Choe Tok-sin who had followed the road of pro-U.S. anti-communism in the South Korean military and political quarters could make a new start of patriotism for the country and the nation. Now the entire fellow countrymen are warmly hailing and supporting the line of great national unity put forward by the great leader and joining in the struggle for

national reunification. The great leader in the work said that whether they are in the North or South or abroad, whether they are workers, farmers, intellectuals, youths, students, politicians, businessmen, religious community members, soldiers, the Koreans must all unite and strive to achieve the reunification of the country, the common cause of the nation. He elaborated on the basic principles and ways of achieving great national unity. How one approaches the line of great national unity is a criterion distinguishing between patriotism and treachery. One who joins in great national unity to terminate the division and restore one Korea, one nation, is a patriot and one who is opposed to it and seeks a permanent division of the nation is a quisling and a traitor.

KCNA Review of 2 Sep NODONG SINMUN

SK0209064291 Pyongyang KCNA in English
0545 GMT 2 Sep 91

[Review of NODONG SINMUN]

[Text] Pyongyang September 2 (KCNA)—NODONG SINMUN today carries a message of greetings sent by Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, to Do Muoi, general secretary of the Central Committee of the Communist Party of Vietnam, and Vo Chi Cong, president of the State Council of the Socialist Republic of Vietnam, on the occasion of the 46th anniversary of the national day of Vietnam.

Foreign media reported the great leader President Kim Il-song's work "Let Us Achieve the Great Unity of Our Nation", says the paper.

It carries voices of Japanese political and public figures praising President Kim Il-song as the true leader of the people, tender-hearted father of the people.

According to the paper, Chinese PEOPLE'S DAILY and XINHUA News Agency reported the dear leader Comrade Kim Chong-il's work "Young Men and Women, Be the Young Vanguard Unfailingly Loyal to the Party and the Leader", and officials of organisations of the League of Korean Youth in Japan under the General Association of Korean Residents in Japan (Chongnyon) studied the work.

Carried in the paper is an article on the wise guidance of Comrade Kim Chong-il associated with the monument to the Pyongnam irrigation project.

The paper gives an account of a meeting of youth and students in Pyongyang held to carry into practice programmatic tasks put forward in the work of Comrade Kim Chong-il "Young Men and Women, Be the Young Vanguard Unfailingly Loyal to the Party and the Leader".

Thanks of the Central Committee of the Workers' Party of Korea were conveyed to the Pukchang thermal power complex and the Sunchon cement complex and the Pukchang ccounty party committee, which have made a contribution to the construction of the slag separating ground, says the paper.

It carries an editorial titled "Let Us Think and Work as Required by the Chuche Idea".

Econews of the paper includes reports about bumper crops which have visited cooperative farms and innovations in railway transport.

"Embodiment of Economic Law and Display of Advantages of Socialist Planned Economy" is the title of an article of the paper.

Reported in the paper is the opening of the new school year throughout the country.

The paper reports that the fourth intergovernmental full-dress talks for the normalisation of DPRK-Japan diplomatic relations is being held in Beijing, and talks were held between foreign minister Kim Yong-nam and his Burkinabe counterpart in Ouagadougou.

Given in the paper is an account of a meeting of Korean youth in Japan held in Tokyo to celebrate the first Youth Day.

The paper in a commentary hits out at the anti-reunification jargon let out by the puppet defence minister of South Korea on the "unification after the year 2000".

South Korean news columns of the paper include reports that a newspaper published at Chungang University in Seoul acused the South Korean press of openly inciting hostile consciousness in its reports about the North and restaurants closed their doors owing to the spread of cholera.

Appearing in the paper are voices of Cuban people about the Havana-Pyongyang friendship fountain under the title "Symbol of the Eternal Friendship and Solidarity".

Organisations of Japan demand an early normalisation of Japan-DPRK diplomatic relations, a directive on the assiduous study of "Selected Works of Mao Zedong" was issued in China, the Chinese PEOPLE'S DAILY denounced the utterances of the former U.S. ambassador against China, and Yasir 'Arafat clarified the Palestinian stand on the Middle East peace conference, says the paper.

It introduces achievements in socialist construction in Vietnam.

An article of the paper analyses the global ecological environment which has reached the danger line.

KCNA Review of 3 Sep Pyongyang Press

SK0309063891 Pyongyang KCNA in English 0533 GMT 3 Sep 91

[Press review]

[Text] Pyongyang September 3 (KCNA)—Papers here today carry photo-illustrated report that the great leader President Kim Il- song gave on-the-spot guidance in the work of various domains of the national economy in North Hamgyong Province from August 20 to 30.

NODONG SINMUN carries words of world revolutionary people praising President Kim Il-song who defeated the U.S. imperialists in the Korean war provoked by them under the title "President Kim Il- song Is Ever-Victorious, Iron-Willed Brilliant Commander and Outstanding Military Strategist".

Papers say that thanks of the Central Committee of the Workers' Party of Korea was conveyed to members of Pak Mun-sop mining work-team of Nam pit, Nampung mine, Komdok mining complex and their families who recorded great successes in the production of ores.

Economic news of papers includes reports that maize harvest has begun on cooperative farms of the country.

The Burkinabe president met a DPRK Government delegation, says the press.

Papers convey news that a Pyongyang meeting marking the 125th anniversary of the sinking of the U.S. pirate ship "General Sherman" was held, the fourth intergovernmental full-dress talks for the normalisation of DPRK-Japan diplomatic relations closed in Beijing, a college for the re-education of agricultural cadres was opened and international training course for journalists was opened in Pyongyang.

Members of "Japan-Korea Friendship Boat" visiting group visited Mangyongdae and waged a demonstration supporting the independent and peaceful reunification of Korea in Kaesong, says the press.

NODONG SINMUN carries news that foreign papers published articles supporting the DPRK's proposals for reunification through confederacy.

South Korean news of the press includes reports that the labor union of Ulsan Hyundai Heavy Industries Co., Ltd called a general strike and cholera is spreading in all parts of South Korea.

The press carries commentaries condemning the preparations of war accelerated by the U.S. imperialists and the South Korean puppets in South Korea.

NODONG SINMUN exposes cruel violation of human rights by the South Korean puppets at the instigation of the U.S. imperialists.

According to the press, Comrade Fidel Castro awarded notes of thanks to those who contributed to the successful holding of the Pan-American Games, Premier Li Peng declared that China would unswervingly carry on the building of socialism with Chinese characteristics, the chairman of the Central Executive Committee of the Japan Social-Democratic Party criticized the wrong attitude taken by the Japanese side at the intergovernmental full-drss talks for the normalization of DPRK-Japan diplomatic relations, and the Interior Ministry of Cuba exposed the maneuverings of the counterrevolutionary elements.

NODONG SINMUN informs the readers that a new school year opened in Cuba, the Tanzanian president called upon the developing nations to strengthen South-South cooperation, the chairman of the PLO Executive Committee rejected the deceptive "peace" in connection with the proposed Mid-East peace conference, the president of Botswana called on the member nations of the Southern African Development Coordination Conference to promote cooperation in food production, the Foreign Ministry of Egypt condemned Israel's policy of "settlements" and Malaysia observed its independence day.

It deals with achievements made in economy and public health of Vietnam, Laos, Iran, Thailand, Pakistan and Nepal.

The daily brands the U.S. imperialists' "regional strategy" as a strategy seeking another armed intervention and war of aggression.

South Korea

Minister Urges More U.S. Technology Transfers

SK0409052291 Seoul YONHAP in English 0303 GMT 4 Sep 91

[Text] Seoul, Sept. 4 (YONHAP)—South Korean Trade and Industry Minister Yi Pong-so, saying he saw bright prospects for U.S.-Korean cooperation in third-country markets, called on American firms Wednesday to "substantially expand" the transfer of technology to their Korean partners.

Yi, speaking on "Korean-American relations in a changing world economic order" at a luncheon sponsored by the Korean-American Assocation, said increased technology transfer from the United States to Korea would generate greater demand for American machinery, parts and components.

Yi said: "Global political change also holds out prospects for U.S.-Korean cooperation in third-country markets. I mainly have in mind Eastern Europe and China...As these nations seek to rebuild their crumbling infrastructures, I believe they would welcome the participation of joint ventures or consortia that combined U.S. advanced technology with Korea's manufacturing and construction skills.

"To maximize the effectiveness of such efforts, it is essential that American industry substantially expand technology transfers to its Korean partners. Because our industrial structures are so complementary, U.S. firms need have little fear that such sharing of technology would work to their competitive disadvantage."

Trade would continue to be the linchpin in bilateral partnership, and Korea-U.S. trade would become increasingly upscale, he said.

The two governments had to deal with trade disputes in the 1980s as Korea emerged as America's seventh largest trading partner and bilateral trade tripled, but at the government level, the two governments currently have few disagreements on economic and trade issues, he said.

In the Uruguay Round, Korea has generally supported the U.S. position in separate multilateral negotiations on steel, shipbuilding and textiles, the minister said.

"In the past six months, we have substantially revised our own bargaining position, including acceptance of the American zero-for-zero proposal," he said.

Internationalization of the Korean economy, the minister said, no longer meant "just opening our ports" to foreign goods but giving "real market access."

Yi said: "Many of our foreign friends—especially businessmen—complain that we are moving too slowly. On the other hand, many of our own citizens feel that we are going too fast...Nevertheless, a consensus is gradually emerging among the Korean people that internationalization is both desirable and inevitable.

"At the same time, public opinion is fully aware that Korea's ability to import is largely a function of our capacity to export. Market opening should be pursued resolutely, but not hastily or recklessly. Above all, the Korean people—and I assume our trading partners as well—do not want to push our trade deficits to the point where they would seriously erode our capacity to import."

Ministry Revises Rules for Arms Procurement

SK0409053891 Seoul THE KOREA ECONOMIC JOURNAL in English 2 Sep 91 p 5

[Text] The Defense Ministry has revised the rules governing procurement of arms, effective from Aug. 12, in a bid to secure arms through R&D (research and development) projects, it was belatedly learned at the ministry.

Until recently, procurement of arms has been made on a case-by-case basis, sources at the ministry said.

Under the revised rules, however, procurement of long-term arms systems will be made through R&D projects in principle, and efforts will be made to purchase selected medium-term arms systems through R&D projects as much as possible, the sources said.

Foreign-made arms currently being deployed in the field will be secured either by production through technical import or offshore procurement, while arms systems urgently needed will be obtained through offshore procurement.

According to the revised rules, both the Agency for Defense Development and private enterprises may participate in R&D projects for arms systems from the initial stages, including the formulation of basic design, the sources said.

A system of designating main contractors will be adopted for R&D projects so contractors assume more responsibility for the projects, the sources said.

Purchase of Soviet, East Bloc Arms Considered

SK0409063891 Seoul YONHAP in English 0625 GMT 4 Sep 91

[Text] Seoul, Sept. 4 (YONHAP)—The South Korean Defense Ministry is revising the long-range plan it drew up in 1974 and may shift arms purchases to the Soviet Union and East-bloc nations to get the technology the West refuses to share, a senior Ministry Official said Wednesday.

The new plan will call for securing advanced weapons and improving the technological standards of domestic defense contractors by gradually reducing overseas purchases, and will coordinate the needs of the Marines, Army, Navy and Air Force to prevent overlapping.

The revision will direct policy to developing technology and improving military production facilities, he said.

He said 5-7 percent of the defense budget will be set aside for military research and development by 2000, compared with 2.6 percent this year.

Effects of USSR Events on Relations Viewed

SK0409034291 Seoul THE KOREA ECONOMIC JOURNAL in English 2 Sep 91 p 3

[By staff reporter Mun Song-ki]

[Text] Accelerated disintegration of the Soviet Union with more republics declaring independence in the wake of the failed three-day coup attempt is forcing Korean policymakers to reconsider its relations with the central Soviet government.

Many of the Soviet Union's 15 republics—Ukraine, Belorussia, Baltic republics of Lithuania, Latvia and Estonia—have already proclaimed their independence. Moldavia is expected to follow suit soon.

At least three other republics have also started leaning toward declaring independence.

The Korean government seems to have decided to be more cautious in promoting its economic ties with the Soviet Union. A recent government announcement

includes the suspension of the delivery of products worth $34 million to the USSR which were due to be shipped early September.

The announcement added that the suspension will last until the Soviet political situation normalizes.

Meanwhile, the Soviet Union has postponed talks this month on Korea's tied loan to Moscow. A Soviet delegation headed by Aleksandr Karmazin, Soviet first deputy minister of material resources, was due to arrive on Aug. 30.

The Soviets were to use the tied loan to buy consumer goods from Korea beginning next month.

If the decentralization trend of the union turns out to be irreversible, Korea needs to reexamine its overall relations with the Soviet federal government and adjust to diversified approach to the new political realities.

The disintegration of the Soviet Union will lead to two critical questions for the Korean government.

The first is who will be Korea's counterpart when it sits down at the negotiating table with the Soviet Union.

Since the establishment of full diplomatic ties with the Soviet Union last September, the Korean government's approach to the country, mainly on the economic side, has focused on Moscow while Western countries such as the United States, Britain and Japan remain cautious in promoting relations with the centralized socialist countr:

They are more leery of the weakening central authority in the face of republics' crying for the secession from the federal union.

The other difficulty is how to redefine the deals made earlier with the central Soviet government, including a $30 billion loan, trade, investment guarantees and aviation agreements.

The highest priority is to arrange safe measures to redeem the $3 billion loan the Korean government promised to provide to Moscow in January this year as part of its economic cooperation program.

While giving the aid on schedule, the government should seek to strengthen economic ties with the 15 Soviet republics.

The first installment of the bank loans of $500 million, was issued May 17.

Many analysts are also worrying about whether the validity of the current agreements with the central government will continue after the disintegration and, if so, how the republics will take over all the economic-related international relations.

There has been no clarification on these issues from neither the Korean nor the Soviet side.

It is obviously too early to accurately predict how the Soviet situation will evolve.

But the trend is clear; disintegration or at least an increase in the decentralization of power.

The complexity of territorial and racial boundaries among the republics, however, resulting from a violent disruption of the union makes it difficult for the Korean government formulate a consistent policy in its relations with the Soviet Union.

To make matters worse, such economic vulnerability of the former Communist country, as chronically high inflation rate, paralyzed markets and decreasing productivity, which some attribute as the major causes of the three-day coup d'etat, are not things which can be cured by political reforms.

Delegation To Leave for Moscow on 5 Sep

SK0409124891 Seoul YONHAP in English 1154 GMT 4 Sep 91

[Text] Seoul, Sept. 4 (YONHAP)—An official South Korean delegation led by First Assistant Foreign Minister for Political Affairs Chang Man-sun will leave Seoul for Moscow Thursday.

The delegation, comprising officials from the presidential office, Economic Planning Board and Foreign Ministry, is to have consultations with officials at Moscow, including Deputy Soviet Foreign Minister Igor Rogachev, on possible readjustment of overall relations between South Korea and the Soviet Union.

The delegates are also to meet with economic officials in Moscow to exchange opinions on fulfilment of South Korea's promise to offer a 3 billion-U.S.-dollar tied loan to the Soviet Union.

The delegation is to return to Seoul on Sept. 14.

Kim Tae-chung To Meet With Gorbachev, Yeltsin

SK0409121891 Seoul YONHAP in English 1131 GMT 4 Sep 91

[Text] Seoul, Sept. 4 (YONHAP)—South Korea's opposition leader Kim Tae-chung will go to Moscow before his scheduled visit to the U.N. Headquarters and have a series of talks with Soviet President Mikhail Gorbachev, Russian Federation President Boris Yeltsin and other political figures there, his spokesman announced Wednesday.

The New Democratic Party (NDP) leader will leave for Moscow on Sept. 17, meet with Gorbachev on Sept. 18 and with Yeltsin the following day, Yu Chae-kol, deputy spokesman for the NDP, said.

Kim will also meet with former Soviet Foreign Minister Eduard Shevardnadze and Moscow Mayor Gavril Popov and deliver a speech at Moscow University.

He will later fly to New York to attend President No Tae-u's speech at the U.N. General Assembly.

Uranium Imports From USSR To Continue

SK0409044491 Seoul THE KOREA ECONOMIC JOURNAL in English 2 Sep 91 p 7

[Text] Despite political changes in the Soviet Union, Korea is likely to import 40 tons ($30 million worth) of enriched uranium from that country this year as scheduled.

On Aug. 20, the second day of coup d'etat in the Soviet Union, an official in charge of transporting strategic materials at the Soviet Nuclear Energy Department reportedly sent a message to Palmco, the Korean importer, saying that Soviet enriched uranium will continue to be supplied to Korea regardless of the results of the coup d'etat.

Upon receiving the message, Palmco started working-level talks with Aeroflot Airlines of the Soviet Union on an air transportation schedule.

Korea has thus far imported 400 tons of enriched uranium from the U.S. and France annually.

Last year, Palmco signed with the Soviet Nuclear Energy Department to import 40 tons of enriched uranium annually over the next 10 years. The first shipment of 40 tons arrived in Korea last year and the second shipment was originally scheduled to be made in November this year.

Payment Problems Slow Steel Exports to USSR

SK0409042091 Seoul THE KOREA ECONOMIC JOURNAL in English 2 Sep 91 p 7

[Text] Exports to the Soviet Union of iron/steel products will lag far behind this year's original schedule, due chiefly to the failures to open letters of credit and slow payments for export bills on the Soviet side, business sources said.

POSCO [Pohang Iron & Steel Co.] agreed with Promsyrioimport of the Soviet Union to export this year 100,000 tons of cold-rolled steel sheets and 8,000 tons of galvanized iron sheets through six Korean general trading companies, in line with the Korea-USSR economic cooperation accord, the sources said.

However, Korean general trading companies reportedly are experiencing difficulties because the Soviet side failed to open import letters of credit and to settle export bills for iron/steel products already shipped to the USSR.

Samsung Co., which received from POSCO export norms of 65,000 tons of cold-rolled steel sheets, concluded an export contract with Promsyrioimport for 46,000 tons and has shipped 6,000 tons to the USSR, but failed to get export settlements. To make things worse, Samsung Co. cannot export the remaining 40,000 tons because the Soviet side failed to open import letters of credit, the sources explained.

Although Hyundai Corp. and Daewoo Corp. were apportioned export norms of 10,000 tons each of cold-rolled steel sheets from POSCO, and Ssangyong, Hyosung and Sunkyong Limited 5,000 tons each, all these firms reportedly have yet to conclude export contracts with the Soviet side, the sources said.

In the case of exports to the USSR of galvanized iron sheets, Daewoo Corp. failed to make export shipments due to the lack of letters of credit, although it received an export norm of 8,000 tons from POSCO, the sources said.

Consequently, POSCO reportedly is withholding the production of 5,000 tons of galvanized iron sheets, while it has already produced 3,000 tons for export to the USSR.

At the Korea-USSR working-level officials meeting opening in Seoul on Aug. 30, the Soviet side is expected to ask Korea to export 100,000 tons more of galvanized iron sheets, the sources said.

Yet POSCO reportedly is reluctant to accept the Soviet proposal, citing the Soviet failure to pay export bills and an acute supply shortage of galvanized iron sheets on the domestic market, the sources said.

Car Exports to USSR, Eastern Europe Statistics

SK0409015291 Seoul YONHAP in English 0130 GMT 4 Sep 91

[Text] Seoul, Sept. 4 (YONHAP)—South Korea sold 12,072 cars in Eastern Europe and the Soviet Union in the first seven months of the year, up 566.2 percent from a year earlier, the Korea Auto Industries Association said Wednesday.

In just two years, these nations have become Korea's fourth largest car market after North America, Western Europe and Southeast Asia, the association said.

The Soviet Union bought 199 Korean cars for 1.36 million U.S. dollars, up 468.5 percent, and Hungary imported 699 cars (4.47 million dollars), up 668.1 percent, it said.

Poland took 6,162 vehicles, Yugoslavia 4,493, Bulgaria 434 and Romania 85 in January-July, it said.

Soviet Researchers Help in Oceanographic Project

SK3008131591 Seoul YONHAP in English 0929 GMT 30 Aug 91

[Text] Seoul, Aug. 30 (YONHAP)—South Korean and Soviet researchers on two Soviet oceanographic vessels are studying the crustal structure of the Ullung Basin in the East Sea (Sea of Japan).

The joint research project began Monday when the 1,157-ton Professor Gagalinskiy and the 776-ton Morskoy Geofizik left Vladivostok.

They will study seafloor structure, geomagnetic anomaly, structural analysis through single-channel seismic survey and evolution of the Ullung Basin.

The East Sea is one of the world's prime geophysical study targets along with the Gulf of Mexico.

The research is co-sponsored by the Korea Ocean Research and Development Institute (KORDI) and the Soviet Academy of Science's Institute of Marine Geology and Geophysics.

The Soviet institute is responsible for the ships, fuel and survey equipment and the Korean institute for the anchoring costs, food, cleaning and personnel expenses (100 U.S. dollars per person).

The research project ends Sept. 9 and the ships return home Sept. 11.

Results of the study will be given to KORDI and announcement or use of them is suject to KORDI's consent.

Dependence on Long-Term Contracts for Oil

SK0209023591 Seoul YONHAP in English
0210 GMT 2 Sep 91

[Text] Seoul, Sept. 2 (YONHAP)—South Korean oil refineries are increasingly signing long-term contracts to protect their supply of crude, the Korea Petroleum Association said Monday.

The association said 121.06 million barrels of oil were supplied under long-term contracts in January-June, up 34.2 percent from the same six-month period last year. This amounted to 65.2 percent of the total, up from 54.3 percent.

The import price under long-term contracts averaged 19.30 U.S. dollars a barrel, up from 16.64 dollars, for a total of 2,343.45 million dollars in the first half.

The rising dependence on long-term contracts is due to the danger to oil supplies of unstable international relations and events such as the Gulf crisis, the association said.

The government's supply stabilization policy is expected to encourage refineries to rely further on long-term obligations, an association official said.

The Straits of Hormuz is the main route for Korea-bound oil, with 60.7 percent passing through in the first half of the year, up from 48.9 percent a year earlier.

Korea bought 64.52 million barrels of oil in January-June on the spot market, down from 71.51 barrels in the same half last year.

Ministry Says Textile Exports 'Fully Recovered'

SK0209082091 Seoul YONHAP in English
0806 GMT 2 Sep 91

[Text] Seoul, Sept. 2 (YONHAP)—A 7.1-percent rise in exports of textile goods to 1.46 billion U.S. dollars in July was enough to convince the Trade and Industry Ministry that textile exports have fully recovered.

After registering 2.3 percent inverted expansion in March, exports increased 6.3 percent in April, 3.8 percent in May and 4.7 percent in June over the corresponding months in 1990.

Ministry officials attribute the incremental rebound to a new competitiveness arising from the replacement of old machinery and to demand from China, Indonesia and Central and South Africa.

In July, textile companies in Korea sold overseas 111 million dollars of yarn and raw materials, up 18.5 percent from July one year earlier, and 58 million dollars of woven fabrics, up 27.6 percent.

Exports of finished textile products slipped 3.5 percent but shook off the setbacks of earlier months, having registered 13.8 percent negative expansion in March and 6 percent in May.

Textile imports increased 20 percent to 354 million dollars in July, and imports of finished goods accounted for 25 million dollars of that amount, up 9.1 percent.

Delegates To Attend Mongolian Assistance Meeting

SK0209031891 Seoul YONHAP in English
0244 GMT 2 Sep 91

[Text] Seoul, Sept. 2 (YONHAP)—South Korea will dispatch a delegation of three officials, from the Foreign Ministry, Economic Planning Board, and Finance Ministry, to the Mongolian assistance group meeting in Tokyo, the Foreign Ministry said Monday.

Mongolia, Japan, and other nations have urged Korea to take part in the conference co-sponsored by Japan and the World Bank to discuss an urgent aid for Mongolia Thursday and Friday.

Also invited are the United States, Germany, Australia, New Zealand, Singapore, the International Monetary Fund, and the Asian Development Bank.

Trade Cooperation Discussed With Pakistan

SK0309095991 Seoul YONHAP in English
0832 GMT 3 Sep 91

[Text] Seoul, Sept. 3 (YONHAP)—South Korean Trade and Industry Minister Yi Pong-so and his Pakistani counterpart, Malik Mohammad Naim Khan, discussed bilateral economic cooperation Tuesday afternoon in Seoul.

In the talks, Yi asked Pakistan to lift a ban on Korean automobiles and to lower the export tax on its cotton yarn, and Khan asked for wider opening of Korea's agricultural market and lower customs duties on imports from Pakistan.

The ministers shared the view that expansion of joint ventures will cement bilateral economic cooperation and agreed to collaborate in international economic forums such as the Uruguay round.

Two-way trade amounted to 390 million U.S. dollars last year, up from 150 million dollars in 1985. In the first half of this year, it rose 44.3 percent to 290 million dollars.

Government Forbids Student Meeting in Panmunjom

SK0409105291 Seoul YONHAP in English
0952 GMT 4 Sep 91

[Text] Seoul, Sept. 4 (YONHAP)—The South Korean Government on Wednesday refused to give permission for a student body's plan to meet representatives of a North Korean university at Panmunjom Thursday for discussing exchange tours of historical sites.

An official of the Unification Board said the government decided not to approve the plan in view of the facts that the student body of Konkuk University Korean language department failed to take due legal procedures for contacting North Koreans and that a similar plan, which was earlier promoted by a professor of the same school under official permission, has been suspended owing to the "indifference" on the part of the North Korean side.

Earlier in the day Pyongyang's KOREA CENTRAL NEWS AGENCY (KCNA) said that North Korea would send two students from Kim Il-song University's Korean language department to Panmunjom on Thursday afternoon for talks on establishing sisterhood ties with the same department of Konkuk University in Seoul.

Korean language majors of Konkuk University proposed to the North last month that students of the two universities discuss exchange tours of historical sites and forming sisterhood ties between their Korean language departments.

Japanese Report on North's Kim Yong-sun Refuted

SK0409041591 Seoul YONHAP in English
0240 GMT 4 Sep 91

[Text] Seoul, Aug. 4 (YONHAP)—A South Korean Government spokesman Wednesday expressed doubt about a Japanese news report that Kim Yong-sun, secretary for international affairs of the North Korean Worker's (communist) Party, has been elevated to No. 3 in the power structure after President Kim Il-song and his son and heir-apparent Kim Chong-il.

"It is difficult to understand how Kim Yong-sun, 57, could jump to third place in the North Korean hierarchy, though he was recognized as a power in North Korean foreign policy," said the spokesman, who declined to be named.

Kim ranked 27th in May, when the funeral for Deputy Premier Ho Tam was held, and such rapid promotion to third spot seemed very unlikely, he said.

The exact leadership ranking will be revealed in a ceremony Sept. 9 to commemorate the foundation of the North Korean regime, he said.

KYODO News Service reported from Pyongyang Tuesday [3 September] that Kim Yong-sun had been promoted to third place.

Government To Support North on Economic Zone

SK0409014091 Seoul YONHAP in English
0053 GMT 4 Sep 91

[Text] Seoul, Sept. 4 (YONHAP)—The South Korean Government will fully support North Korea's plan to develop the Tuman River basin and set up a special economic zone there, a highly placed government official said Wednesday.

The government would also encourage the formation of joint ventures with North Korean companies in the projected Tuman economic zone, the official said.

After comparing the plans of North Korea and China to develop the river basin, the government had concluded that the North's plan was far better in economic terms and decided to support its implementation, he said.

"China's plan is centered on Hunchun. It does not cover East Sea ports. This means the development plan should be preceded by dredging of the river, and that will be expensive as the dredging will have to be carried out almost continuously," he said.

In contrast, North Korea's plan includes Unggi, Najin and Chongjin ports, all of which have good conditions, and abundant labor, he said.

"We have information that North Korea is planning to build railways and pave roads in the Unggi and Najin areas to expand its transport capability. If Hunchun and Unggi and Najin are connected by railway and road, China will not need to dredge the river. Goods produced in Hunchun may be transported to North Korean ports," he said.

Development of the Tuman River delta has been much touted since the U.N. Development Program [UNDP] held a seminar on the subject with experts from neighboring countries.

Last month, South and North Korean experts discussed the project at another UNDP forum in Changchun, northeast China. It was also attended by delegates from Japan, China, Mongolia, the United States and the Soviet Union.

In May, North Korea proposed establishing a special economic zone near the river bordering North Korea, China and the Soviet Union.

The zone will cover the "small delta" linking Hunchun, Unggi and the Soviet port of Poset, or the "big delta" linking the Chinese city of Yanji with the North Korean port of Chongjin and Nahodka in the Soviet Union.

If South Korean firms take part, they will be encouraged to give top priority to the project, he said.

DPRK Refuses To Allow Group To Cross Border

SK0309122791 Seoul YONHAP in English 1214 GMT 3 Sep 91

[Text] Seoul, Sept. 3 (YONHAP)—North Korea has rejected a South Korean delegation's bid to cross the border on its way to Pyongyang to attend an international meeting, a South Korean Government official said Tuesday.

The official said South Korea's delegation to the Asian group meeting of the Group of 77 has therefore decided to enter North Korea via Beijing. The meeting is to be held in Pyongyang Sept. 9- 12.

He said North Korea raised an objection to the South Korean delegates' overland trip to Pyongyang through the truce village of Panmunjom for reasons of the Sept. 9 festival marking the foundation in 1948 of the North Korean Government.

Working-level delegates will leave Seoul Thursday for Pyongyang to attend a preparatory meeting to be held from Saturday through Sunday prior to the plenary session.

Senior delegate, Vice Foreign Minister Yu Chong-ha, meanwhile, will leave for Beijing Sunday and arrive in Pyongyang the following day, the official said.

Overview of Plans for Trade With North

SK0409053391 Seoul THE KOREA ECONOMIC JOURNAL in English 2 Sep 91 pp 1, 3

[Text] The simultaneous admission to the United Nations of North and South Korea in September and the Soviet hardliners' abortive coup that tried to remove President Mikhail Gorbachev from power are expected to step up inter-Korean trade and economic relations.

In South Korea, the government set aside 25 billion won ($34.7 million) as inter-Korean economic cooperation funds for this year. This has added fuel to the North Korean fervor rising within the business community.

The Export-Import [Exim] Bank of Korea which manages the cooperation funds is busy dealing with inquiries about the funds. The inquiries are coming not only from large business groups (chaebol) but also from small businesses, according to the bank.

Business groups planning big investment projects in North Korea are most interested in the cooperation funds. They include Hyundai which is enthusiastic about developing scenic Mt. Kumgang, just north of the demilitarized zone (DMZ), into a large complex of tourist amenities, Daewoo planning to participate in the Tuman River basin development program, and Samsung and Goldstar which both wish to build plants producing consumer electronic goods in North Korea. These chaebol have already formed special task groups to study the North Korean economy and the role they can play in that economy.

They are closely watching the coming North-South prime ministers meeting which has been postponed until October in the wake of the failed Soviet coup. When this meeting produces a new agreement on inter-Korean economic cooperation, the chaebol will immediately put their North Korean investment plans into final form and apply to the Exim Bank for cooperation funds.

The funds are designed to support citizens' travel to and from North Korea for private visits and inter-Korean cultural, scholarly and sports programs, compensate for losses arising from trade and economic cooperation with North Korea and provide loans for economic cooperation projects in which North Korean capital and technology participate and commodity trade with North Korea, among other things.

An Exim Bank official said that in view of the inquiries so far, the cooperation funds would be used mostly for covering risks involved in North Korean trade.

Although the government plans to increase the funds as inter-Korean economic relations expand, the pressing task facing the bank is how to deal with the expected rush of applications for the funds this year. The 25 billion won earmarked for this year would be a far cry from even the need to support a single big investment project the chaebol are now planning.

In case the funds fall short of the applications, the bank will divert part of the Economic Development Cooperation Fun (EDCF), totaling 220 billion won as of the end of July, to inter-Korean economic cooperation projects, the official said. The EDCF is a Korean version of the Japanese Overseas Economic Cooperation Fund for financial assistance to third world countries and is managed by the Exim Bank.

For effective use of the inter-Korean economic cooperation funds, the Exim Bank recently formed a North Korean task group to study revision of the Foreign Exchange Management Law and other laws governing the use of the inter-Korean cooperation funds. This was done to ensure these laws do not stand in the way of the effective use of the funds. In addition, the bank also set up a North Korean section to gather information on North-Korea's investment environment and disseminate such information to businesses planning to invest in North Korea.

Recently, an encouraging news came from Pyongyang; for the first time, North Korea affirmatively responded to a claim filed by a South Korean firm for a loss due to substandard pollacks it imported from North Korea by shipping standard pollacks to replace the bad fish. This augurs well for future inter-Korean trade relations.

Anyway, the Exim Bank, expecting inter-Korean trade and economic relations to increase in the near future, is working hard to expand its support to firms dealing with North Korea, while stepping up its efforts to gather information on North Korea's investment environment.

* Roundtable Discussion on Unification Issue

912C0250B Seoul HANGYORE SINMUN in Korean 4 Jun 91 p 7

[Text] Editor's note: With North Korea's sudden decision to apply for UN membership, the world's attention is focused on the Korean peninsula. Under these circumstances, HANGYORE SINMUN and the Japanese Iwanami Bookstore jointly sponsored an "emergency roundtable discussion" in Tokyo on 31 May, attended by experts from North and South Korea, the Soviet Union, China, and Japan. They were invited to the roundtable discussion while attending the "Seventh Science Symposium on the Unification Issue of the Korean Peninsula" (sponsored by the Pan-Pacific Affairs Institute) as heads of the delegations of their respective countries. During this discussion, these experts expressed their views more freely than they would have at a normal science symposium. [end editor's note]

Participating in the discussion were Kim Yong-chak, professor at Kungmin University, South Korea; Kim Pyong-hong, deputy director of the Institute on Disarmament and Peace, North Korea; Cho Sun-sung, member of the South Korean National Assembly; Takenori Aeba, NHK commentator, Japan; K. Sarkisov, director of the Institute of Japan Studies of the USSR Academy of Sciences; and Zhou Longjian, XINHUA Tokyo correspondent. Yi Chu-ik, HANGYORE SINMUN's Tokyo correspondent, was the moderator.

Yi Chu-ik: Tremendous changes have taken place in the past year alone. The Gulf crisis escalated into the Gulf War; and in Europe, East and West Germany were united into one. In and around the Korean peninsula, a new landscape began to appear in place of the old framework of international relations, with South Korea and the Soviet Union establishing diplomatic relations and North Korea and Japan entering into negotiations for the normalization of their relations. In the area of North-South relations, North-South high-level talks were held on three occasions; and in the field of sports exchange, North-South single teams were realized in table tennis and soccer games. What is the outlook for the future as you see it, and how do you view the changes that have taken place so far?

Major Change Expected in Asia

Aeba: The turbulent changes over the past several years have had a tremendous impact on Asia. Nevertheless, this impact cannot be said systematic. It was since the emergence of Gorbachev that the main tides of the world began to change radically.

Sarkisov: The Soviet Union introduced perestroyka beginning in 1985 because it felt keenly the need to restructure its system. It was our judgment that without restructuring there would be no development of the national economy. The more the economy expanded in scope, the more serious the problems facing the existing economic structure became. We realized that there should be political reform before we undertake economic reform designed to improve the inefficient structure, diversify economic operations, and stimulate the desire to work.

Any radical reform is bound to be accompanied by some social losses. Some people expect that things will get worse next year.

However, one thing is certain. Everyone agrees that "the market-oriented economy is the key" to economic recovery.

Yi Chu-ik: Will you please briefly discuss the foreign policy of the Soviet Union?

Soviet Role as Mediator Between North, South

Sarkisov: As evident in the changes that have taken place in East Europe, the Soviet union has continued to take bold steps under its "foreign policy based on new thinking."

The Soviet Union is setting up a new order in Asia with the establishment of diplomatic relations with South Korea, the normalization of relations with China, and the achievement of progress in its relations with Japan. However, the Korean question remains the most difficult problem. Of all the countries concerned, namely, the United States, the Soviet Union, China, and Japan, the Soviet Union is the only country that has diplomatic relations with both North and South Korea. The Soviet Union can be a good mediator if it makes the best use of this unique position. The Soviet Union attaches importance to North Korea, maintaining an alliance relationship with it.

Some people say that the Soviet Union has normalized relations with South Korea because it was in economic difficulty.

But the Soviet Union did not pursue such a foreign policy toward South Korea because it needed "money." The Soviet Union hopes to become a good mediator in having inter-Korean relations develop in a peaceful manner.

Adoption of Non-Aggression Declaration Expected

Zhou Longjian: The signs of tension easing on the Korean peninsula are a very desirable phenomenon. The problems is how to maintain the momentum of the precious detente moves—such as the inter-Korean high-level talks and the North Korea-Japan negotiations for establishing dilemmatic relations—in the future. The starting point for PRC diplomacy in this part of the world is the question of what to do in the interest of the reunification of Korea and its security. It is regrettable that the inter-Korean high-level talks remain suspended, but we believe that they will be resumed soon. We hope that both the North and South conduct their talks with patience and adopt a non-aggression declaration soon. One day there will be summit talks between the highest leaders of North and South Korea, and in my opinion, it is important that the North and South maintain an attitude of trying to reach through negotiations agreement acceptable to both sides on all matters, including the question of joining the United Nations. In my view, both sides will be able to arrive at a formula acceptable to each of them only after an atmosphere has been created in which the North and South get closer and engage in dialogues to achieve the reunification of Korea, only after measures have been taken to avoid breaking the strategic balance between North and South, only after the misunderstanding and distrust which have deepened since the division of the country have been removed steadily. In straightening out the complexly interlocked relations among various countries, it is important first of all to eliminate all mutual misunderstandings. This explains why CPC General Secretary Zhang Zemin recently visited Moscow and PRC Premier Li Peng visited Pyongyang. China holds fast to the five-point principle on peaceful coexistence as the principle governing international relations in the new age. Inasmuch as there are diverse social systems and structures in the world, the road to coexistence can be opened only when all countries respect each other's systems and structures. Allow me to express my personal view that no one should impose his value judgments on others and measure others according to his own yardstick.

Cho Sun-sung: The Soviet Union has been experiencing a lot of internal difficulties since its adoption of perestroyka, but the United States is also beset by major problems. This has had a great impact on the Korean peninsula. Following the installation of the Reagan administration, the United States adopted the "600-ship fleet" and the "Star Wars" plans with the idea of spending $5 trillion to cope with Soviet threats.

Greater Role of International Machinery

The extent of the damage this spending plan inflicted on the U.S. economy was subsequently felt. The Reagan administration's economic policy, commonly known as "Reaganomics," turned the U.S. economy into a complete "failure" in eight years, necessitating various corrective measures. The Marxist theme that "the substructure determines the super-structure" also holds water in the case of the U.S. economy.

As is the case with the United States, South Korea's huge defense expenditures are a big burden to its economy. The ROK defense expenditures are said to account for 4 to 5 percent of the GNP, and to match this amount, North Korea will have to spend 15 percent of its GNP. This alone easily shows that the sooner reunification is achieved, the greater the amount of waste that will shrink.

The time when the Soviet Union and the Unites States divided and ruled the world is gone, and now a policy of balanced influence by multiple countries is emerging. Emerging in Europe is a phenomenon similar to the spheres of influence which existed for about 100 years following Napoleon's 1815 defeat at Waterloo. As the age of "pax Americana" is gone, the question arises: How long will the United States remain in Korea? Judging from its own ability, the United States will not be able to hold out in Korea very long. With the ebb of U.S. and Soviet influence, it is expected that the role of international organizations, such as the United Nations, which are capable of insuring collective security, will play an increasingly great role in order to maintain the world order and peace and security.

Kim Pyong-hong: I agree with the opinions of Mr. Zhou and Mr. Cho. Since the Gulf War, the United States has been acting as if it were trying to control the world all by itself. While imposing strong-arm rule over others, the United States is applying pressure in various parts of the world by coercive means. It is the United States which is blocking the relaxation of tension in the Korean peninsula more than anyone else. After the end of the Gulf War, the United States joined forces with Japan to interfere in the normalization process between the DPRK and Japan by using what they call the "development of nuclear weapons" in North Korea as an excuse. In addition, the U.S. Government is trying to neutralize the demand of the U.S. public desiring to improve DPRK-U.S. relations. The world is skeptical as to whether the United States is really desirous of relaxation of tension on the Korean peninsula. In order to restore mutual trust and ensure security in the Asia-Pacific region, including the Korean peninsula, it is imperative that a new order be established in Asia. Any attempt to fit the changes that have taken place in Europe into Asia will amount to "a round peg in a square hole" because the European framework does not fit Asia.

In addition, there should be a drastic reduction in the level of military confrontation between the Soviet Union and the United States in the Asia-Pacific region.

U.S.-USSR relations in this region are based on their enormous military power. It is necessary for the United States and the Soviet Union to draw up a concrete

schedule for speedy step-by-step arms reduction and implement disarmament according to this schedule. Moreover, countries in this region should also set the upper limit on their own arms as low as possible and implement disarmament. They should also endeavor to build mutual trust and carry out bilateral and multilateral economic exchanges among themselves.

Caution Against Taking Advantage of Korean Question

Kim Yong-chak: The trend away from the cold war which has progressed over the past several years is now taking root in Europe, but in Asia it has not yet been institutionalized. Opinions are divided with regard to this trend. Optimists say this trend will have a positive effect on Asia as in Europe, although it may differ from the trend in Europe in terms of timing and magnitude. Pessimists, on the other hand, say that it will be difficult to expect the same kind of trend in Asia. I agree with the optimists because while the whole world tends toward freeing itself from the cold war, it would be difficult to go against the tide. Amid this tide, North Korea decided on 27 May to join the United Nations, and I welcome this decision as a positive move.

As for the situation in South Korea, some analysts say that factors of uncertainty will increase until the presidential election in 1992 as factors of political, economic, and social instability persist. Others say that if the South Korean situation remains unstable, North Korea would be reluctant to continue North-South dialogues, causing a delay in the resumption of the dialogues. However, the North and South Korean authorities should not link internal affairs to external affairs. In this connection, the most basic tacit agreement Gorbachev and Bush reached during their Malta summit is symbolic. Before sitting at the conference table, they had agreed that Bush will refrain from taking advantage of the collapse of the socialist system in East Europe to undermine the security of the Soviet Union, and that Gorbachev for his part will not intervene militarily to interfere in voluntary institutional reforms in East Europe. In my opinion, this prior basic agreement served as a driving force for signing the detailed agreement and bringing the Malta summit to a successful end.

Aeba: I think the cold war has ended all over the world. It has become apparent from what has been going on between the United States and the Soviet Union that arms reduction is possible between any two nations unless they are sworn enemies. The progress that has been made in Japan-DPRK relations compels us to recognize it as a fact that the United States is behind Japan. Similarly, it is also a fact that China or the Soviet Union is behind North Korea. It is a good thing that North and South Korea join the United Nations. Reunifying the North and South does not mean turning back to the past, but it means a start for a new destination from where they are now. To this end, the North and South need to find a point of compromise as to the means for reaching the new destination. It will be of help to use the United Nations, the family of nations, as a venue for dialogues for that purpose.

Sarkisov: Some say that simultaneous admission to the United Nations would delay reunfication. But, I think quite the opposite. Isolation is not desirable for North Korea. I think North Korea should appear on the international stage to have opportunities to express its views and explain its stand.

Cho Sun-sung: The argument that admission to the United Nations will perpetuate division does not hold water. Germany, Yemen, and the Soviet Union are good examples. When both sides join the United Nations, each is obligated to respect the UN Charter. Chances of war will decrease thanks to the Charter. In addition, each will be obligated to submit reports on human rights to the United Nations, and this will be conducive to the democratization of both societies.

Kim Yong-chak: It is not proper to argue about whether or not admission to the United Nations will perpetuate division, by using the patterns of logic the North and South have used hitherto. What is important is the fact that North Korea followed the tide of the world. If North Korea had not changed its logic, one would conclude that North Korea decided to apply for UN membership, standing ready to accept the permanent division of Korea into "two Koreas. If the old logic were to be applied, the only possible explanation would be, as far as South Korea is concerned, that it has constantly advocated a simultaneous admission of the North and South into the United Nations for no other purpose but to perpetuate "two Koreas." That is not true. Let me reiterate that we should positively appraise the fact that the North and South reached a de facto agreement.

Kim Pyong-hong: I do not think the cold war has ended in Asia. The continuation of the cold war in this part of the world, although it has come to a pause in Europe for now, is substantiated by the fact that world attention is focused on this region. The reason the end of the cold war has been delayed is that despite many unilateral measures taken by one side, the other side has not budged.

Large-scale arms reductions have been carried out in many socialist countries, including the Soviet Union, China, and Mongolia, in addition to North Korea. The capitalist camp has failed to respond. We are currently using 150,000 troops in the construction of expressways and bridges. When tension relaxes, all these troops can take off their uniforms.

Kim Yong-chak: It seems that North Korea is complaining that South Korea has made no concrete proposals. This is understandable, but it seems necessary to think this way: In the opinion of South Korea, it is more realistic to place economic and cultural exchanges on the agenda simultaneously, and such simultaneous exchanges are showing a good result as demonstrated in the recent soccer and table tennis games. If there is a

consensus among the populace and only the government dissents, the problem can be solved simply by replacing the government. But the situation is different. The people in the South have a lot of skepticism about the North which has accumulated as a result of the prolonged state of division. Therefore, in my opinion, simultaneous exchanges in various fields are necessary to reach a national consensus.

Kim Pyong-hong: Economic or cultural exchanges can precede disarmament. In the past, we had readiness for active economic exchanges. Our determination was firm when Comrade Ho Tam signed an agreement with Chairman Chong Chu-yong on economic exchange. We were waiting to see him again in late April, with full preparations made to carry out exchanges in connection with the proposed development of Mt Kumgang, Wonsan, and Tongchon. But the South did not send him. When one side makes a concession, the other side should also concede much.

Cho Sun-sung: There is no major difference between the opposition and government parties in South Korea over the reunification issue. Moreover, South Korea's proposals look more and more like those of North Korea. There is urgent need for the window of opportunity for both sides to sit and talk together candidly. It is very important that despite many difficulties, not only the governments but also all strata in the North and South, including the political parties, get together to pave the avenue of reunification.

PRC Hints on Kim Chong-il Succession Noted

SK0209051891 Seoul KYONGHYANG SINMUN in Korean 2 Sep 91 p 2

[Report by Yi Tong-chu from Tokyo]

[Text] On 1 September NIHON KEIZAI SHIMBUN reported that the international page of the 31 August edition of the CPC organ, RENMIN RIBAO, carried an article in which North Korea's Secretary Kim Chong-il was part of the article's title.

NIHON KEIZAI SHIMBUN's analysis was that for RENMIN RIBAO to use the name of Secretary Kim Chong-il in the title is exceptional and that this is a hint at recognizing the "succession" of power from father to son, with which China has previously expressed dissatisfaction.

North To Join Broadcasters Union 1 Sep

SK3008125991 Seoul YONHAP in English 1156 GMT 30 Aug 91

[Text] Seoul, Aug. 30 (YONHAP)—North Korea will join the Asian Broadcasters Union (ABU) as a full member on Sunday, raising a hope for inter-Korean exchanges of broadcasting programs through the organization.

ABU sent a message to Seoul's state-run Korea broadcasting system Thursday, saying that the third-fourth of 39 member nations voted for Pyongyang's membership. The North Korean radio and television broadcasting committee submitted an application on June 6.

ABU will officially announce North Korea's entry in its general assembly in Kuala Lumpur on Oct. 5-16.

North Korea will then be able to exchange its features and news programs with other member nations and take part in ABU projects for co-production.

Seoul Students To Promote North Letter Exchange

SK0209075291 Seoul YONHAP in English 0717 GMT 2 Sep 91

[Text] Seoul, Sept. 2 (YONHAP)—The student councils of Yonsei and Korea Universities, two of the most prestigious private institutions of higher learning in Seoul, will promote an exchange of letters between South and North Korean collegians, a Yonsei student council leader said Monday.

Ho Chi-yim, 22, a mechanical engineering senior and vice president of the Yonsei student council, said the two councils would collect letters for North Korean collegians from students until Sept. 15 and send them to the North Korean students committee or Kim Il-song University.

Since there is no direct mail, the letters would be sent via the pan-national rally promoters in Berlin and Tokyo, Ho said, adding that he expected the first reply around Sept. 22 or during the annual Korea-Yonsei sports meet Sept. 30-Oct. 5.

Korea and Yonsei want to invite students of Kim Il-song University to attend the meet and will soon apply to the National Unification Board for a permit, Ho said.

Defector Comments on Life in North

SK0309125191 Seoul YONHAP in English 1226 GMT 3 Sep 91

[Text] Seoul, Sept. 3 (OANA-YONHAP)—Former Korean residents in Japan who were lured to North Korea are suffering from severe discrimination and are regretting crossing over to Pyongyang, a defector said Tuesday in describing the living conditions of people like himself.

Kim Su-haeng, 34, said upon arrival in Seoul that he was told when he was sent to China last May to collect funds and support espionage activities against South Korea. He said he was specifically instructed to raise 1 million U.S. dollars before North Korean President Kim Il-song's 80th birthday next year.

He was most likely to be sent away for "purification" for failing to secure the fund, Kim said, explaining his motive for defection.

Kim is the first former Korean resident in Japan to ever flee to South Korea after living in the North. He crossed over to Pyongyang in June 1973 when he was 16 with his two elder brothers and graduated from a university in Pyongyang.

He belonged to North Korea's ruling Workers' (Communist) Party Social and Cultural Department.

There are an estimated 100,000 Korean residents in Japan who were lured to live in North Korea since 1959, most often with promises of better living conditions.

Kim said he sought asylum at a South Korean diplomatic office in a Southeast Asian country Aug. 28 after leaving China with a North Korean passport.

His 31-year-old wife and two sons, aged four and two, are still in North Korea.

In an airport interview soon after his arrival here, the defector said he discovered discrepancies between what he heard from North Korean officials and what he read in foreign newspapers about South Korea.

Whenever he went to China on working assignments, Kim said he secretly got hold of Japanese newspapers and read about South Korea.

"I was greatly disappointed by the discrimination against people like me after I went to North Korea," he said. Most of the repatriates from Japan face harsher living conditions than common citizens, and they are kept under strict surveillance, he said.

They are often accused of "tainting" North Koreans with impure ideologies and dispersed to remote areas far away from Pyongyang.

Asked why he defected to South Korea instead of returning to Japan, Kim said he wanted to find his true homeland.

Parties To Conduct Parliamentary Inspection

SK0209094891 Seoul YONHAP in English 0840 GMT 2 Sep 91

[Text] Seoul, Sept. 2 (YONHAP)—The ruling party and the main opposition party have decided between themselves to conduct the parliamentary inspection of the administration for 20 days, from Sept. 16 to Oct. 5.

The Democratic Liberal Party and New Democratic Party, which were represented by senior floor leaders So Chong-hwa and Kim Tok-kyu, also agreed Monday that the National Assembly will be addressed by their party leaders on Sept. 12 and 13.

Parliamentary inspection will be suspended for the three-day Chusok holiday for a total of 17 days of actual hearings.

The two parties also agreed that the assembly will convene for its regular sitting at 2 p.m. Sept. 10 and only later decide the duration or change the schedule for inspection of state affairs.

Interpellation will run Oct. 8-12 and cover five sectors—politics, reunification-diplomacy-national security, economic policy-making, business and society.

Brunei, Malaysia & Singapore

Malaysia

Deputy Prime Minister Baba Visits Turkey

WA0309135491

For Turkish media reportage on the visit by Abdul Ghaffar bin Baba, deputy foreign minister, to Turkey, including reports on his talks with Ekrem Pakdemirli, Turkish deputy minister and minister of state, as well as reportage on the 2 September dinner hosted by Pakdemirli for Baba, please see the Turkey section of the 3 September West Europe DAILY REPORT and subsequent issues.

Singapore

Goh Chok Tong Denies Resignation Plan Rumors

BK0409143091 Singapore Singapore Broadcasting Corporation in English 1400 GMT 4 Sep 91

[Text] Mr. Goh Chok Tong says he will be sworn in as prime minister on Saturday. He told foreign journalists that he will be announcing his cabinet tomorrow. Commenting on the results of the general election, Mr. Goh said it has not affected his standing in the party. He said a detailed analysis of the results showed that styles did not matter very much for those voted for the opposition.

Mr. Goh said they were concerned with the bread and butter issues. He said there is a big group of Singaporeans who really only care about daily life, and the government intends to pay attention to them.

During the interview, Mr. Goh also denied rumors that he would resign. He plans to stay on until 1999 when his work is completed.

Says Elections Weakened Position

BK0409143691 Hong Kong AFP in English 1147 GMT 4 Sep 91

[By Peter Mackler]

[Text] Singapore, Sept 4 (AFP)—Singapore Prime Minister Goh Chok Tong conceded Wednesday that recent election results weakened his position against government hardliners here but said he planned to stay in power until 1999.

Speaking to a group of foreign correspondents, Goh said he would have to slow down his efforts to open up Singapore's tightly controlled society and would listen more to the bread-and-butter concerns of the common voter.

"They want firm government. All they are interested in is stability, progress and prosperity," said Goh, who took over in November to replace the iron-fisted Lee Kuan Yew after 31 years.

Goh and the ruling People's Action Party were rocked in Saturday's polls when the opposition took an unprecedented four of the 81 seats in parliament and reduced the PAP's popular share vote for the third straight election.

The soft-spoken leader, who has championed a more open style of government for this predominantly Chinese economic dynamo of three million people, acknowledged he had lost ground to PAP conservatives.

But despite rumours of his resignation sweeping financial markets here this week, Goh said he planned to stick around to achieve his goal of giving Singapore in 1999 the same standard of living as Switzerland in 1984.

"Which means by 1999 my job will be done.... Then somebody else can take over," said lanky, bespectacled prime minister, who will be sworn in Saturday to a new five-year term.

Goh said he was under no pressure to step aside for Deputy Prime Minister Lee Hsien Loong, Lee Kuan Yew's son and a likely successor to the premiership. Goh said he worked well with his deputy even if they had different style.

"B.G. (Brigadier General) Lee is more conservative in values," Goh said, evoking badminton imagery to differentiate between a player who retrieves and one who smashes. "He's more ready to smash."

Goh said he was walking a political tightrope trying to balance the needs of Singapore's Chinese-educated Chinese and English-educated Chinese, as well as its Malay and Indian minorities.

"Here (we have) 15 percent Moslems. Have you ever tried understanding them?" He said. "Have you ever understood Iran? Have you understood Iraq?"

Goh had campaigned on his style of government, but he said Saturday's results reflected mostly the anguish of less-affluent Singaporeans pinched by the rising costs of health care, education and other items here.

He said he saw little need for the autocratic Lee Kuan Yew, still influential as senior minister and PAP secretary general, to reassert more direct control of the government machinery. But Goh indicated he would play some political hardball of his own, pulling out PAP services from an opposition-held constituency and seeking workers "who can go to coffee shops and mount whispering campaigns against the opposition."

Goh said he was against the principle of having an opposition because "it divides the country."

But he added he planned to make no moves against the emergent opposition leader Chiam See Tong, despite past PAP practices of instituting crippling legal action against its rivals on various pretexts.

The prime minister also said his policy of providing more access for foreign journalists here would continue. But some other actions, such as allowing nudity in "R"-rated movies, would be limited to "artistic films" only.

"I came to the conclusion before the election that we have moved too fast for Singapore society, which is still an Asian society," he said.

Cambodia

Chea Sim Reviews, Lauds Phatthaya Meeting

BK0309135091 Phnom Penh SPK in English 1120 GMT 3 Sep 91

[Text] Phnom Penh SPK September 3—The consent of all Khmer parties on measures to enhance the cease-fire and to stop receiving foreign military aid constitutes a key factor for putting an early end to the civil war in the country.

This was stated by Chea Sim, chairman of both the National Assembly and the National Council of the United Front for Defence and Construction of the Kampuchea Fatherland, at the closing session of the front council on Thursday after a two-day sitting.

Chairman Chea Sim said that the front was unanimous in support of the party and the Government of the State of Cambodia's stance on the quest of a political solution to the Cambodian conflict, thus leading to fair, free and democratic general elections.

Chairman Chea Sim went on to say that the conference wholeheartedly welcomed the outcome of the latest meeting of Cambodia's Supreme National Council in Thailand's seaside resort of Phatthaya, at the end of which the SNC members agreed upon a number of fundamental issues concerning demobilization, the [UN] role, national sovereignty, and the holding of general elections.

He said that it was a turning point in history and thereby the front and mass organizations at all levels must strive harder than ever before to unite among themselves and carry out well the task of national reconciliation and rehabilitation.

The Cambodian leader also recommended the audience to enhance the role of Buddhism, which is a state religion, especially the role of pagodas, Buddhist monks and laymen in civic affairs.

At the end of its two-day sitting, the conference issued a resolution on the front task to be carried out in the coming period.

Politburo Praises Outcome of SNC Meeting

BK0409061091 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 4 Sep 91

[4 September press communique of the KPRP Central Committee Political Bureau—read by announcer]

[Text] The Political Bureau of the Central Committee of the Kampuchean People's Revolutionary Party [KPRP] held a meeting on 3 September 1991 with Comrade Heng Samrin, general secretary of the KPRP Central Committee, in the chair to hear the reports of Comrade Hun Sen, member of the KPRP Central Committee Political Bureau and chairman of the Council of Ministers, and other members of the Supreme National Council [SNC] from the State of Cambodia [SOC] faction dealing with the outcome of the second Phatthaya meeting which was held from 26 to 30 August 1991.

The Political Bureau highly evaluates the immense, satisfactory results achieved by the Cambodian SNC under the lofty and wise chairmanship of Samdech Norodom Sihanouk in a move toward ending the conflict in Cambodia and realizing national reconciliation, thus bringing about a lasting and just peace in response to the time-honored earnest aspiration of the party, government, and people and in contribution to the establishment of peace, stability, friendship, and cooperation in Southeast Asia and the world.

The Political Bureau holds that the efforts and compromises made by the SNC members from the SOC faction during this Phatthaya meeting constitute an important and enormous contribution based on the lofty spirit of responsibility for the destiny of the nation and people.

The Political Bureau of the KPRP Central Committee firmly believes that all Cambodian factions involved in the conflict will continue to compromise with one another in order to find solutions to all remaining issues and arrive as soon as possible at a comprehensive solution to the Cambodian problem.

The Political Bureau expresses high appreciation of and profound gratitude for all the generous assistance accorded by the Royal Government of the Kingdom of Thailand to the Cambodian SNC in general as well as to the SOC delegation in particular, assistance which has created major conditions for the success of this latest meeting.

The Political Bureau expresses high appreciation of and profound gratitude for the wholehearted attention and support given to the process of the search for the Cambodian peace by the high representatives of the cochairmen of the Paris International Conference on Cambodia, the special representative of the UN secretary-general, and the high representatives of the five permanent members of the UN Security Council as well as the attention paid by the entire international community, considering it as the most powerful contribution to the cause of peace in Cambodia, in the region, and in the world.

Phnom Penh, 4 September 1991

Hor Namhong Sends Greetings to SRV Counterpart

BK0209080091 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 2 Sep 91

["Message of greetings" from Comrade Hor Namhong, foreign minister of the State of Cambodia, to his Vietnamese counterpart Comrade Nguyen Manh Cam, "on the 46th anniversary of the August revolution and 2 September national day of the SRV"]

[Text] I would like to express to you and, through you, to the brotherly cadres of the Vietnamese Foreign Ministry the most sincere sentiments and warmest greetings. I am firmly confident that under the correct and clear-sighted leadership of the Communist Party of Vietnam [CPV], the fraternal Vietnamese people will achieve new, still greater successes in implementing the resolutions adopted by the Seventh CPV Congress.

May the relations of solidarity and friendship and cooperation between our two countries, especially the Cambodian and Vietnamese foreign ministries, further develop and strengthen and remain intact forever.

I wish you the best of health and brilliant successes in the implementation of your noble tasks.

Japanese Team Plans To Restore Ancient Temple

BK3108130691 Phnom Penh SPK in English 1120 GMT 31 Aug 91

[Text] Phnom Penh SPK August 31—A Japanese cultural research group led by Mr. Ishizawa left Phnom Penh Thursday winding up an 18-day study tour of ancient monuments in Cambodia.

During its visit from August 12-29, the group toured historical monuments, including Banteay Srei and Keo in Siem Reap-Oddar Meanchey Province, to study the possibility of building tourist sites there.

"This is our sixth visit to Cambodia. And we plan to come again in March and August 1992 and bring along books, documents and other materials for the renovation of Banteay Srei monument", said Mr. Ishizawa.

The group donated two printing machines to the Ministry of Information and Culture.

Phnom Penh Reportedly Threatened by Floods

BK0409063491 Hong Kong AFP in English 0858 GMT 3 Sep 91

[Text] Bangkok, Sept 3 (AFP)—Cambodia's capital Phnom Penh is threatened by severe flooding which has already left thousands of people homeless and damaged vast areas of agricultural land, the United Nations Disaster Relief Organisation (UNDRO) said on Tuesday.

UNDRO, in a statement released here, said accurate damage assessment was being hampered by limited access to the affected areas but early reports indicated that some 150,000 people were homeless and more than 100,000 hectares of agricultural land were inundated.

More than 20 people have been killed so far, according to reports coming out of Phnom Penh.

Experts here said the flooding, caused by a combination of heavy rains and an unusually high level of water flowing down the Mekong River, will hit Phnom Penh on Wednesday or Thursday.

"The floods are unusualy high and unusually early, they're the worst on our records which go back 30 years," said an official at the Bangkok-based Mekong Secretariat, which is monitoring the floods.

A U.N. development worker who recently returned from Cambodia said the situation was critical.

"Floods are good for Cambodia, they occur every year and the people have adapted to them, but these have come too early," the development worker said.

"Everyone knows that rice likes a lot of water but the floods usually peak in late September or early October when the rice and other crops have had a chance to mature. Extremely heavy unseasonable floods like these can wipe out the harvest."

The official Cambodian news agency reported on Monday that another 10,000 families were made homeless by the flooding in Kompong Cham Province, north of Phnom Penh.

There was serious flooding in Kratie Province, further upstream on the Mekong, and also in Kompong Speu and Takeo Provinces, the news agency said.

The U.N. has airlifted some 30,000 sandbags to Phnom Penh to help build dykes to protect the city, according to UNDRO.

Another five tons of sandbags and plastic sheets for shelters were sent back on Cambodian Prime Minister Hun Sen's aeroplane when he returned to his country after peace talks in Thailand last Saturday, UNDRO said.

The floods might severly damage Cambodia's rice harvest but they will be good for the beleaguered country's other staple—fish.

"It will be a good year for fish. With a lot of water everywhere they travel upstream to the flooded areas where there's lots of food for them to forage," said one agricultural worker with experience of conditions in Cambodia.

Men Sam-an, Others Visit Kandal Flood Victims

BK0409070591 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 3 Sep 91

[Text] A high-ranking delegation of the party, state, and mass organizations headed by Mrs. Men Sam-an, member of the Political Bureau of the party Central Committee and chairman of the Cambodian Federation of Trade Unions, who was accompanied by Mrs. Men Sam-an, member of the party Central Committee and of the party Central Committee's Control Commission, and Mrs. Som Kimsuor, member of the party Central Committee and chief editor of PRACHEACHON, paid a visit to flood victims in Roleang Ken Commune, Kandal Stoeng District, Kandal Province, on the morning of 31 August. The delegation also distributed relief money and consumer goods to the victims. The gifts included bowls, spoons, mosquito nets, blankets, soap, sarongs, scarves, and clothes worth more than 7,000 riels.

Hun Sen Thanks Sihanouk for Flood Victims Aid

BK0109134491 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 1 Sep 91

[Report on Message from State of Cambodia's Prime Minister Hun Sen to Sihanouk and wife; dated 30 August—read by announcer]

[Text] Very Respected Samdech and Neak Mneang:

Upon learning about the hardship of our country's flood victims, respected samdech has sympathized and exerted great efforts in your role as chairman of the committee for aid for the rehabilitation and development of the State of Cambodia. You have appealed for aid for the children.

Furthermore, both respected Samdech and Neak Mneang have shared the victims' hardships through personal donations. Our Cambodian people will never forget this precious kindness. This reflects the attention and sympathy respected samdech and Neak Mneang have always had for our nation.

On behalf of the victims, allow me to deeply thank our respected samdech and Neak Mneang for their affection and generosity. I will inform our people, particularly the victims, of the deeds of samdech and Neak Mneang.

Enclosed is a videotape and some pictures to inform you about the tragic situation our people are facing.

Please accept my high salutations.

Radio Criticizes Pol Pot, Son Sann Groups

BK0409054991 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 4 Sep 91

[Station commentary: "Do They Really Love and Pity the People As They Have Claimed?"]

[Text] In mid-August, our beautiful Land of Angkor was hit by floods that inundated Kompong Speu, Kampot, Takeo, and Kandal Provinces, the Phnom Penh suburbs, and the provinces along the Mekong River and Tonle Sap Lake. This unprecedented flooding had caused severe disasters to human lives and property, houses, and infrastructures worth about $250 million.

While our people have been in this tragic, indigent situation, who aided them and helped to alleviate their hardship?

It is known to all that during the past more than 12 years, the other Cambodian groups, particularly the Pol Pot clique and Son Sann group, have kept making claims about their patriotism, love, sympathy, and respect for the people. They have tried hard to persuade the people to follow them for the sake of their so-called struggle for national and popular liberation and to lure the international reactionaries to give them aid—money and ammunition—for use in invigorating themselves and opposing the Cambodian people's rebirth.

During the past more than 12 years, using the Vietnamese as the excuse, the Cambodian groups on the other side have burned down, shelled, and destroyed everything that our people built through arduous efforts from heaps of ashes left behind by the genocidal Pol Pot regime.

After committing these crimes, they pretended to shed crocodile tears and claimed that they love and pity the people. This is in order to make the people believe that they are the best patriots.

However, while our people were victimized by worse floods and the State of Cambodia's [SOC] Government and Samdech Norodom Sihanouk, chairman of the Committee in Search of Aid for the Rehabilitation and Socioeconomic Development in the SOC, were appealing for aid from all circles, these groups have ignored this matter and even sought every means to obstruct the aid. Particularly, while some countries, such as the United States and Japan, and various international organizations were trying to send military [as heard] aid to Cambodia, leaders of the other Cambodian groups did not pay attention to reporting on the difficulties facing our people. Their only aim is to take revenge against the people in whichever way they can.

During the past more than 12 years, while our people throughout the country were jointly striving to prevent the Pol Pot clique from returning to power, they have wholeheartedly cooperated with the criminal Pol Pot clique.

Briefly speaking, they pray only for our people to become ruined and weak so that they can trample our people underfoot or at least make our people bow down and beg them for peace. They are very happy to see our people suffer because that situation is an opportunity for them to put the blame on the SOC leaders and praise themselves in order to entice people's support. But, our people are well aware of the fact that during the past more than 12 years when the people were facing starvation, forced to do hard labor, and massacred by the Pol Pot clique, only these SOC leaders had rescued them from racial extinction.

During the past more than 12 years, the SOC leaders were the only ones who resolutely defended and fed the Cambodian people and brought progress to our national society as it is now.

Again recently, while our people were facing flood disasters, only the SOC leaders sympathized with, visited, and gave relief aid to our suffering people. Only the SOC took measures to normalize their livelihood.

As for the other Cambodian groups, all they did was make demands at the negotiating table in Phatthaya for fear of not getting the opportunity to become members of the parliament, of having an unfair election, of being abandoned, and of not gaining power. Is this how they show their love and pity for the nation?

The Cambodian people know well that one's value is judged from his deeds and not from his words.

Sihanouk Airs Electoral System Compromise Plan

BK0409110891 Hong Kong AFP in English 1055 GMT 4 Sep 91

[Excerpt] Bangkok, Sept 4 (AFP)—Prince Norodom Sihanouk, head of Cambodia's Supreme National Council (SNC), has suggested a compromise solution to the only major problem blocking a final peace agreement between the rival factions.

The prince, who left here for Beijing on Wednesday after attending a meeting of the SNC in Thailand last week, proposed in a statement to adopt a single constitutency electoral system with the guarantee that extra seats be allocated to parties.

The four factions who make up the SNC agreed at the talks to reduce their armies by 70 percent and to place their remaining forces under United Nations supervision.

The main outstanding issue is what system Cambodia should use in elections, which will be held under the supervision of a U.N. transitional body that will be formed to monitor and supervise the running of the country.

The Vietnamese-supported Phnom Penh government has insisted on a single ballot constituency system while the guerrilla groups, in particular the non-communist Khmer People's National Liberation Front (KPNLF), demands a proportional representation system, as proposed in a U.N. peace plan.

A proportional representation system would allocate assembly seats to a party in proportion to the percentage of the total vote it received.

Under a single ballot, or single winner, constituency system smaller parties might not win any seats in the assembly even though obtaining some popular support.

Criminals whose hands are "stained with blood" would become members of parliament under a proportional representation system, the official Phnom Penh government news agency said in a recent commentary, in a reference to the Khmer Rouge guerrilla group.

During almost four years in power from 1975 to 1989 the Khmer Rouge were responsible for the deaths of hundreds of thousands of Cambodians.

The small KPNLF is thought to lack widespread support but a senior official of the guerrilla group said the new National Assembly, which will draw up a new constitution, must reflect all shades of opinion.

In his statement, Prince Sihanouk proposed a compromise under which a single ballot constituency system be adopted but with some guaranteed assembly seats for political parties having obtained "many votes from the people without winning many seats."

Senior representatives of the four factions will meet in New York later this month when the SNC formally takes up Cambodia's seat at the U.N. General Assembly.

If the Cambodians can reach agreement on the electoral system in New York an international conference on Cambodia will be reconvened to formally sanction a final peace treaty, ending almost 13 years of war. [passage omitted]

Article Reports on 'Absence' of Law, Order

BK3108025791 Bangkok BANGKOK POST in English 31 Aug 91 p 4

[Article by Jacques Bekaert under the rubric "Cambodian Diary," entitled "The 'Military Question' and Real-Life Tragedy"]

[Text] Last Monday, on highway 5 between Pursat and Kompong Chhnang in Cambodia, heavily armed bandits attacked a passenger bus and several cars. The result: At least eight Khmer civilians dead and 15 seriously wounded. This time the tragic incident was not blamed on the Khmer Rouge. The bandits were probably renegade soldiers from the Phnom Penh army, sources based in Cambodia said. Among the dead were the wife and child of a senior member of the Phnom Penh delegation to the Supreme National Council meeting in Phatthaya. He flew back immediately to Phnom Penh.

A few days ago former KPNLF [Khmer People's National Liberation Front] soldiers went on a rampage in Site 2, the largest Cambodian camp along the Thai-Cambodian border. A week earlier, there had been serious incidents at the Sihanoukist camp of Site B, where at least 40 people were wounded in clashes with Khmer soldiers.

This string of events illustrates the absence of law and order in Cambodia. And the decline in public morality affects every sector of the population. A few months ago, in Phnom Penh, an international organisation gave free blood bags to various hospitals. Blood was supposed to be provided free of charge to those in serious need. But reliable sources told me that on several occasions children in urgent need of a transfusion were refused blood, unless the parents could come up with a large sum of money.

Some doctors do not hesitate to sell the blood they received for free and would rather let children die than miss this extra source of income. It is true that most bureaucrats have not been paid for months. And doctors, too, have to make a living. It would be unfair to blame one regime more than another. A fragile country like Cambodia cannot afford any further drain on its meagre public resources.

While some 10,000 displaced persons from Battambang recently went back to their villages, more than 14,000 people from Siem Reap took refuge closer to the capital city in late June. Official sources in the province claim that Khmer Rouge troops coming from the Samrong area were stealing buffaloes, thus forcing peasants to abandon their fields. But other reliable sources in Phnom Penh believe that the massive cattle robbery was just another act of banditry.

These bandits, they say, are more often soldiers or former soldiers of the Phnom Penh forces or the Nationalist resistance who sell the stolen buffaloes to Thai farmers or merchants along the border.

In the past, most incidents and armed attacks on civilians were routinely blamed on the Khmer Rouge. It seems that such attacks never really occurred. Reliable diplomatic sources based in Phnom Penh said the vast majority of such incidents, when they did occur, were in fact caused by unruly soldiers of the Cambodian armed forces or plain bandits. And soldiers of the so-called nationalist resistance have not behaved much better in the zones they controlled.

With the exception of the elite A3 units, most Phnom Penh troops are poorly paid. Senior sources at the Ministry of Defence admitted recently that there was still a cruel lack of strong and competent officers. The Cambodian People's Armed Forces [CPAF] have made some progress, and officers like Lt Gen Ke Kimyan are considered more professional and capable than the previous batch of superior officers, appointed for political rather than military reasons. But there is no way the CPAF can maintain a large army with so little external support and a continuous lack of funds. There are also honest men in the resistance, but they are overwhelmed by the course of events.

A lot of time was spent by the Supreme National Council this week in Phatthaya on the "military question." The Perm Five and the resistance wanted full demobilisation. Phnom Penh preferred to keep all armies intact. The final compromise is that 70 per cent of all armed forces will be demobilised, the rest regrouped in cantonments and will be supervised by the United Nations Transitional Authority for Cambodia (UNTAC). How much is 70 per cent? Nobody knows. How many soldiers does the resistance or Phnom Penh have?

I doubt anyone knows for sure. Figures floating around Phatthaya were usually vastly inflated. The Khmer People's National Liberation Armed Forces are fast collapsing. Military experts say that maybe no more than a few hundred men still obey orders. The Sihanoukists of the National Army for Independent Cambodia have their own trouble and probably no more than a few thousand men—at best—still under control.

Prince Norodom Sihanouk was certainly right when he declared at the end of the conference that the future national army of Cambodia should be made up of new men who are honest, well trained, and peace-loving soldiers. To recruit among the old factions would invite further fraternal struggle and dispute, he remarked.

Law and order—which is another form of human rights—should be a major concern of all factions. Cambodia is weak. Cambodia has suffered to a point where there is not much stamina left. Money is everything. "If you want to control Cambodia, make sure you have plenty of funds," a Western diplomat ironically remarked.

In the near future, Cambodia needs to be protected against itself. There are plenty of people around the world ready to plunder the country's natural resources and, alas, there are also plenty of Cambodians ready to sell their country for a fistful of dollars. Ask the people of Kompong Thom what is happening to their forests. Who will protect Cambodia? Not the UN, of course. It has no mandate to control the country. It is up to the Cambodians.

The entire game is increasingly up to the Cambodians. But suddenly everybody is capitalist, pro-free market, and liberal in a way Adam Smith himself probably never dreamed of. "I am still the Pink Prince," Sihanouk told us. "I have never been a communist," he added. "But pink, progressive, leftist, yes!" This is probably good news.

Somebody must protect the interests of the poor—the vast majority of the Cambodians—and prevent what one Cambodian calls the "rape" of the nation by mercantile interests. But Sihanouk is only himself. The nationalists are pathetically disorganised. There are good people in all factions. Maybe it is time they got together.

Meanwhile, the news from Phatthaya is relatively good. It should comfort the Cambodian people. One hopes they will have enough strength to force politicians to implement the best of what was decided in the luxury of Phatthaya.

Laos

Leaders Receive Election Greetings From Cambodia

BK3108041091 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 30 Aug 91

[Text] Kaysone Phomvihan, chairman of the Lao People's Revolutionary Party [LPRP] Central Committee and president of state, and Khamtai Siphandon, prime minister of the Lao People's Democratic Republic [LPDR], have recently received separate messages of greetings respectively from Heng Samrin, general secretary of the Kampuchean People's Revolutionary Party Central Committee and chairman of the Council of State, and Hun Sen, chairman of the Council of Ministers of the State of Cambodia.

In their messages, Heng Samrin and Hun Sen expressed, on behalf of the Cambodian government and people, congratulations and best wishes to Kaysone Phomvihan for his election as president of state and to Khamtai Siphandon for his appointment as the new prime minister of Laos. They expressed the conviction that under the leadership of Kaysone Phomvihan and Khamtai Siphandon, the government and fraternal multiethnic people of Laos will be able to achieve ever- greater success in implementing the resolution of the Fifth LPRP Congress for the happiness and prosperity of the fraternal Lao people.

The leaders of the State of Cambodia also expressed the hope that the relations of fraternal friendship and close

cooperation in all respects between the two countries—Cambodia and Laos—will be increasingly developed and strengthened.

Independence Day Greetings Sent to Malaysia

BK3008104291 Vientiane KPL in English 0859 GMT 30 Aug 91

[Text] Vientiane, August 30 (KPL)—His Excellency Mr. Khamtai Siphandon, prime minister of the Lao People's Democratic Republic, on August 29 sent a message to His Excellency Datuk Sri Dr. Mahathir bin Mohamed, prime minister of Malaysia, on the occasion of the 34th anniversary of the independence of Malaysia.

The Lao prime minister in his message conveyed to his Malaysian counterpart and through him to the government and people of Malaysia warmest congratulations and best wishes of happiness and prosperity.

I firmly believe that the friendly relations between our two governments and countries—Laos and Malaysia—will be further developed and strengthened in the interest of the peoples of our two nations so as to promote peace and cooperation in the region as well as in the world, the message included.

On the same occasion, Lao Foreign Minister Phoun Sipaseut also sent message of greetings to his Malaysian counterpart His Excellency Datuk Abdullah Ahmad Badawi.

Trade Delegation on Two-Week Tour of Australia

BK3008112491 Vientiane KPL in English 0902 GMT 30 Aug 91

[Text] Vientiane, August 30 (KPL)—A delegation of Lao trading companies led by Mr. Khamsai Souphanouvong, first vice minister of economy, planning and finance of Laos, left Vietiane on August 30 on an official vist to Australia.

The delegation will pay a 2-week visit to Melbourne, Canberra and Sydney. Visits to various bussiness and trading sectors in Australia will be organized for the Lao guests and discussions with their Australian counterparts will be held. The delegation will study the Australian markets for Lao products.

The visit, sponsored by the Australian Department of Foreign Affairs and Trade is designed to boost trade links between Laos and Australia. Early this year, the Australian Embassy also sponsored a 4-day export marketing seminar in Vientiane to encourage Lao exporters to enter Australian markets.

The delegation, made up of business persons representing different companies in Laos, was seen off at the Wattai Airport by the Australian charge d'affares A.I, Mr. George Fraser.

Education Minister Issues Note on School Fees

BK0309144591 Vientiane KPL in English 0907 GMT 3 Sep 91

[Text] Vientiane, Sept 3 (KPL)—The minister of education and sports recentiy issued a note to the provincial and municipal services of education throughout the country, asking them to take note on the following points:

The ministry over the years has realised that education sector at local level has introduced several ways to mobilise the public contribution and donation for educational development. This was a good move to be continued.

However, some inconsistent activity has been observed in some localities. This involves imposing a rather high and rigid educational fee that has imposed burden on parents with low income particularly.

From now on, this activity is banned and all localities are to follow the compulsory primary education system relying mainly on the government budget and suitable contributions from economic sectors and the general public.

As for the private-run schools, they are asked not to take a too high fee.

Philippines

Controversy Over U.S. Bases Treaty Continues

Aquino Appeals for Debt Relief

HK3108064591 Hong Kong AFP in English 0551 GMT 31 Aug 91

[Text] MANILA, Aug 31 (AFP) - Philippine President Corazon Aquino asked visiting U.S. Representative Stephen Solarz on Saturday for "concrete debt relief assistance," to help get a draft U.S. bases treaty ratified by the Philippine Senate.

However, Solarz said Washington was unlikely to provide such assistance before the treaty goes up for ratification on or before September 16, adding that ratification would improve the Philippine's chances of getting debt relief later.

Aquino met Saturday with the Democrat from New York, a longtime Aquino supporter, who arrived here Friday from Australia.

After their meeting, the presidential palace issued a statement saying that Aquino had "emphasized to Congressman Solarz that definite and concrete debt relief assistance from the United States is crucial to the ratification," of the U.S. bases treaty, presently before the Philippine Senate.

According to Solarz, it was "doubtful there would be a spontaneous and permanent solution to the (debt) problem in the next two weeks." But, he added, U.S. cooperation "will clearly be enhanced (if) the treaty is approved."

He also warned that forging any debt agreement would be difficult since it would mean persuading foreign finance institutions and private banks. The Philippines has a 29 billion dollar foreign debt, more than half of it owed to private banks.

Aquino had previously sent U.S. President George Bush a proposal on relieving the Philippines' debt burden as part of a compensation package to convince the Senate to ratify the treaty.

Asked for Aquino's reaction to Solarz's statements, her chief aide, Executive Secretary Franklin Drilon, later told reporters that "she will just await the reply of President Bush on the matter."

If the draft treaty extending the stay of U.S. forces in this country for 10 years is not ratified by the Senate, those forces will be forced to pull out by 1992.

The majority of senators are opposed to the new treaty, with many of them demanding better compensation from Washington as a condition for signing.

The presidential palace said Aquino had cited the damage caused by the eruption of Mount Pinatubo in June.

"She believed that the vote of a number of senators on the treaty will depend upon how the U.S. will respond to the needs of the Philippines in the face of the Mount Pinatubo devastation."

The eruption of the volcano, which has caused more than 300 deaths, forced American personnel to pull out of Clark Air Base after tons of volcanic ash fell there.

Manglapus Affirms Debt Relief

HK0209103191 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 2 Sep 91

[By Restie De Quiros of DZRH Unit No. 8]

[Text] The external debt of the Philippines can be reduced by $5.3 billion as part of the compensation package, should the new military bases treaty be ratified. This was emphasized by Foreign Affairs Secretary Raul Manglapus.

In his testimony in the ongoing public hearings on the treaty being conducted by the Senate Foreign Relations Committee, Manglapus gave assurances that even if U.S. President Bush refuses President Aquino's request for a $1 billion debt condonation, the Philippines can avail itself of a big debt relief base on the new treaty. Manglapus also mentioned that the debt reduction package incorporated in the new treaty is even better than the Polish formula being pushed by some senators.

According to him, if the Polish formula is used, the members of the Paris Club will give 50 percent reduction in loans. Manglapus believes, however, that creditor countries like Japan and other commercial banks may consider the condonation of debts as an indication of the country's loss of credibility.

Aquino Expresses Optimism

HK0409053191 Manila THE CHRONICLE in English 4 Sep 91 pp 1, 6

[By staff members Lito Zulueta and Bert Castro]

[Text] President Aquino yesterday expressed optimism that the U.S. would support a new debt-relief package aimed at retiring $1.5 billion of the country's commercial debt stock.

The President said in a statement read by Press Secretary Tomas Gomez III that she had dispatched Finance Secretary Jesus Estanislao to Washington to meet with U.S. Treasury Secretary Nicholas Brady to seek American support for the package.

"Results are expected to be favorable," Mrs Aquino said.

Commercial bank creditors earlier agreed in principle to a new debt relief plan that would reduce the commercial debt stock of $6.6 billion by $1.5 billion through market-oriented approaches under the so-called Brady initiative, first espoused by the U.S. treasury secretary.

The agreement was described as a breakthrough not only in the country's efforts to ease its heavy debt burden but also in Mrs Aquino's campaign to persuade senators to ratify the new bases treaty.

The President's economic and financial advisers had denied direct link between the implementation of the debt-relief package and the ratification of the treaty.

But they said U.S. support for the package was needed to ensure its success. The U.S. said Central Bank Governor Jose Cuisia, has a substantial vote in the International Monetary Fund and the World Bank, which are being eyed by the Philippines to participate in the plan.

Despite their denials, however, U.S. embassy spokesman Stanley Schrager said the "ratification of the treaty would improve the chance of further debt reduction."

"Washington is sensitive about the debt problem of the Philippines and is delighted to see some progress made," Schrager said in an interview.

In a related development, the Integrated Bar of the Philippines (IBP), the national association of lawyers, threw its support behind the anti-bases senators.

IBP officials, who described the move as "unprecedented and historic," cited provisions in the Constitution and raised concern over the issue of legality regarding the continued stay of the American bases here.

They also said the bases infringe on the country's sovereignty, the dangers of a nuclear disaster as well as the "vague provisions of the terms of phaseout and payment guarantee."

The Labor and Advisory Consultative Council (Lacc), at the same time, reiterated its support for the antibases senators despite the apparent change of heart of the Federation of Free Workers (FFW).

The FFW was one of the signatories of the Lacc Covenant that called for the withdrawal of bases by Sept. 16 when the old treaty expires.

Lacc spokesman Paterno Menson said members like the Kilusang Mayo Uno would proceed with their planned protest actions and work stoppages to show their opposition to the treaty.

Three of the country's major garment and textile industry associations, meanwhile, said they would hold a rally today in front of the Senate building to press for the treaty's ratification.

Earlier, the Garments and Textile Export Board (GTEB) warned that the treaty's rejection would have dire consequences for the industry, the country's top dollar-earner.

"A U.S. clampdown on Philippine garment exporters in the aftermath of a rejection of the treaty would create a whole train of problems for us, ranging from labor displacements across a broad front to reduced export earnings," said GTEB Executive Director Aurora Ma. Timbol.

Last year, the Philippines earned $1.1 billion from the U.S. which accounts for about 63% of the country's garment exports.

According to Timbol, the industry employs more than one million workers, "not to mention the thousands of others engaged in ancillary services like the manufacture of plastics, cartons and other products used in garments production."

If the treaty is rejected, "the most we can expect is a status quo in our present quota (and) our chances of increasing that quota will certainly be doomed," she warned.

Timbol returned last week from Washington, where she held preliminary discussions with U.S. officials on the Philippine request for an increase in the garments quota.

In Malacanang, Mrs Aquino denied the claim of University of the Philippines' Prof. Merlin Magallona that she and U.S. President Bush had a "secret agreement" to extend indefinitely the stay of the Americans in Subic Naval Base.

Magallona, a resource person in the ongoing bases hearing by the Senate foreign relations committee, said that in the supplementary agreement, it states that the withdrawal of U.S. forces will start at the end of the tenth year, but does not indicate the termination date of the pullout.

But the President said no such secret agreement exists. "There is no secret agreement," she said. "We are adhering strictly to the Constitution."

De Villa Views Defense Situation

HK2808121291 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 28 Aug 91

[Text] The Department of National Defense stands to lose 10 million Philippine pesos if the Treaty of Friendship is not ratified by the Senate. Defense Secretary Renato de Villa also said that Armed Forces of the Philippines operations may be permanently crippled by the end of 1992.

[Begin De Villa recording in English] The Armed Forces have reported to me that by the end of 1992, their aircraft transport capability will be permanently crippled; and over a period of time, until 1995, we will have no more helicopters that can be utilized. Because by that time they would have cannibalized everything already. [end recording]

Foreign Service Union Comments

HK3008105791 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 30 Aug 91

[Text] The career officials of the Department of Foreign Affairs [DFA] are opposed to the ratification of the U.S. bases treaty. Here is Rey Arquiza of DZRH Unit 21 with the details:

[Begin Arquiza recording] While Foreign Affairs Secretary Raul Manglapus is trying hard to explain to the senators and the Filipino people the issue of retention of U.S. bases in the country, the career officials of the DFA are expressing opposition to the U.S. bases treaty. In a straw vote held by the council of the Union of Foreign Service Officers [UniFors], it showed that the majority of the ambassadors and foreign service officers are against the continued stay of the U.S. bases. In the straw vote, 16 said the Senate should reject the U.S. bases treaty, while nine are for the continuous presence of the U.S. bases. The voting on the bases issue was held a day after Manglapus issued his foreign policy speech in which he stressed the importance of the continuous presence of the U.S. bases in the country. The UniFors is an organization of career officials in the DFA which has a membership of about 300 career officers. Its council is in charge of the union administration. The UniFors officials said the result of the straw vote is proof that they have no confidence in Manglapus. [end recording]

Maceda on Conditional Ratification

HK2908090491 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 29 Aug 91

[Text] Senator Ernesto Maceda favors conditional ratification of the newly signed bases treaty so they will be able to change some of the provisions which are not agreeable to them. In an interview with Luis Beltran, Senator Maceda said the Senate will also discuss the contents of the side letter sent by U.S. President George Bush to the government wherein is stated the full commitment of America to the Philippines compensation package. According to Senator Maceda the Senate will

hold a series of caucuses to discuss the full contents of the newly signed bases treaty.

[Begin Maceda recording in progress] ...we must have a hearing because there are things, especially from President Bush's side letter, that Secretary Manglapus and the others must explain and the most important reason is there are many sectors asking for one last chance to express their views. [end recording]

Senator Salonga Interviewed

HK0409073191 Quezon City ABS-CBN 2 Television in English 1430 GMT 2 Sep 91

[Interview with Senate President Jovito Salonga by hosts Miguel Romero, Teodoro Benigno, and Antonio Abaya on the newly signed Philippines-U.S. Treaty on Friendship, Cooperation, and Security on "Options" program—live or recorded; italicized passages in Tagalog]

[Excerpt] [passage omitted] [Teodoro Benigno] To my first question, tension is building up like a Hollywood melodrama regarding the forthcoming Senate vote on the Philippine-U.S. bases treaty. How do you feel Mr. Senate President, will the Senate be expected to affirm its position and reject the treaty or do you think it goes to the other way?

[Jovito Salonga] Well, you know it's so hard to predict the final decision of people, but from where I sit in the Senate, I should think there are about 11 to 12 people who will vote against the ratification of the treaty. And, you know under the Constitution, a minimum of eight will be sufficient to block the ratification of the bases treaty. Butz Aquino was making a head count this evening and he told me: We are 12 who are against the treaty. That is Butz the favorite brother-in-law of the president.

[Benigno] Is this new proposal of the Americans which states that we can only have a debt relief if we approve the bases treaty? Does this have an effect on all the senators who have almost made up their minds about the bases?

[Salonga] There may have been some effects on either one or two senators because it has given them hope that there might be a substantial debt relief in the said agreement. But it seems to me, the statements in the past few days no treaty no debt relief may have been counterproductive. From my point of view, the fact that they have to talk about debt relief is the clearest admission. In fact, it is a devastating admission that the treaty is so lopsided. They have to talk about additional sweeteners.

[Antonio Abaya] What about this supposedly polite rejection of the treaty which the Senate would make certain recommendations to amend the treaty instead of rejecting it outright, is that a viable alternative?

[Salonga] Yes, but sometimes you know we have a day-long hearing that lasted from 0930 in the morning to past 1700. When that was brought up during the testimony of Secretary of Foreign Affairs Manglapus, he said: If you would do that and it affects matters of substance, any amemdment, any reservations that affect the treaty substantially, that would amount to rejection.

[Abaya] So, it is really a black and white...

[Salonga, interrupting] Yes. In view of that attitude of Secretary Manglapus, that conditional ratification could be quite effete.

[Miguel Romero] Mr. Senator, two weeks ago, maybe three weeks ago, you conducted what was described as a straw vote, and I heard what one senator say that: *"The Senate president should not have announced the result of the straw vote."* The impression being that...[changes thought]. The insinuation being that this is an internal matter. Do you think that that reaction in exposing this tenders to paint them into a corner so that it was very difficult to press for them to display an inflexibility thereafter?

[Salonga] Let me tell you the exact date, if I remember correctly that was 30 July, immediately after the presentations given by Secretary Manglapus, Secretary Estanislao, Governor Cuisa of the Central Bank, and I think Under Secretary Gacis of National Defense. After that, I conducted a survey. This is about the second or third survey that I conducted. And always, we tell Secretary Manglapus we need to know exactly where every senator stood in the survey. So, I have been publishing this all along. It is only now that there is a complaint like this. Actually your source did not attend probably the meeting where I told Secretary Manglapus, you will know exactly where we stand in the survey. I always published the results of the surveys. After all, many of these people who said no, had previously made public statements that they would vote against the treaty.

[Romero] Yes. I noted that. Mr. Senate President, what is the effect of the...[changes thought] It has been said that the Americans were reluctant to say anything than no aid and no debt relief and no treaty because they don't want to be...[changes thought] They so feel like it's bribing the senators by making the commitment now. Do you think this holds water? This explanation?

[Salonga] Actually, this is what I told Congressman Solarz yesterday *that it is not nice to tell the Filipino nation, especially the senators, that if there is no treaty ratification, there is not that much you could hope for.* And he corrected me. He said he did not mean it that way and that he merely said it would diminish the prospect.

[Abaya] Sometimes, I think, Senator, these confrontational positions are not really spoken by the person, but they are magnified by media for some reason that it makes it more dramatic. But, as you said, Congressman Solarz denied saying that conditional statement.

[Salonga] *Yes, and he said that even if you reject the treaty there will be American assistance but it will diminish the prospect of increased assistance. He did not say that if there is no aid, you will be like Iraq in that we will bomb you or isolate you.* Nothing of that sort.

[Benigno] Mr. Senate President, let us talk about yourself. *You know that in the past election* anybody who is running for the presidency who takes an anti-American position or American interest in the Philippines *has never won an election and you have a strong conviction on this matter. What will happen to you?*

[Salonga] You know, in the 1987 election, that was 11 May. One month before that election, I told the people and it was carried in the front pages of the newspapers, that in principle I was against the foreign military bases. *I said that. So, when I was elected, the people knew* where I stood on this issue. But more important than that, I hope our people will remember what President Eisenhower said in 1958: Everything we do in the foreign field has for each basic purpose our own national interest, our own national security. We do not these things in the foreign field as a matter of altruism and charity.

[Benigno] But, Mr. Senate President, *all the surveys that were taken say the majority of the Filipino people are in favor of the bases. Do you have any fear that these sentiments of the* Filipino people will have any effect on your candidacy for the presidency?

[Abaya] *In 1987 this was not yet an issue. You said it was not.*

[Salonga] *Yes. But if you look at the analysis of the poll survey, it was not the belief of the majority on just any military bases treaty. No.*

[Abaya] In the Ateneo poll, 48 percent are in favor of the bases permanently and something like 36 percent for five years or 10 years.

[Salonga] But Tony, you know very well that these answers are based on questions that are not revealed.

[Abaya] Well, they take off the opinion which is closest to them. That's how it is.

[Salonga] At any rate, in my political life, I always make my decisions based on what I think is good for our people, based on the dictate of my own conscience. *Because, if all I want is to be good looking in the eye of the public, then I will go to where the majority is.* But, Ambassador Bollen, one of the best American ambassadors—he was formerly an ambassador—said that we here in the U.S. Embassy, here in Manila, are here to protect our own interest. We expect your Filipino officials to protect your own interest. Why the rebuke to our own people?

[Abaya] But is it possible that the American interest and Philippine interest on some topics may converge, isn't it? That's possible, isn't it?

[Salonga] Tony, on this point, *the Pentagon has a different interest, the State Department likewise has a different interest.* Let me tell you from this point, I have been receiving so many letters from Americans, professors, church organizations against this treaty.

[Abaya] *There are many organizations that are stirring this up. This is not spontaneous.*

[Benigno] We'll pause for a break.

[Commercial break]

[Abaya] Mr. Senate President, we were talking earlier about the unhappiness of some senators including yourself, that senators were not represented in the panel that negotiated with the Americans. And you cited the case of President Magsaysay who had senators in his panel when he negotiated with the Americans. If the panel that we have right now had included the senators, would we have come up with a better treaty or no treaty at all?

[Salonga] Of course, this is a very speculative question. But I'd like to think that there could be a better agreement.

[Abaya] There would have been a treaty?

[Salonga] There could be.

[Abaya] There could have been?

[Salonga] Yes, I was thinking particularly of my compromise proposal to which a number of senators are agreeable. My compromise proposal is for the United States to continue to have access but the facilities should be turned over to a Philippine corporation, privatize it. After all, the United States has been preaching privatization all over the world. Why not privatize these facilities, turn it over...

[Abaya, interrupting] Nonexclusive or exclusive use by the Americans?

[Salonga] Just a moment. And the Philippines can enter into a long-term contract with governments of other countries of the world along the Singapore model, not exclusive but vessels of other states can make use of it on a commercialized basis.

[Abaya] In your opinion would the Americans have accepted a nonexclusive arrangement?

[Salonga] Oh, this was a proposal of an American.

[Romero] Would this have given rise to complications, Mr. Senator, about the no confirm no denial positions of the Americans?

[Salonga] No. The moment you have that, the Constitution will have to be applied faithfully to the operations of this enterprise.

[Abaya] So, we [have] the Constitution in effect now but the Americans have continued to...

[Salonga, interrupting] *Oh, they appear to have territoriality here.*

[Abaya] But in Japan there is no confirm no denial on nuclear arms and yet the Americans and the Japanese seem to...

[Salonga, interrupting] But we happen to have a specific Constitution.

[Abaya] So are the Japanese, I believed.

[Salonga] And, after all, the world has changed since 1989; the Americans have been telling the rest of the world they should tell the truth about their nuclear capabilities. Last 4 August, the Soviet Union and the United States entered into the (START) treaty to reduce long-range nuclear weapons. *Why would this not be allowed?* When they asked other states to tell the truth about their nuclear capabilities. Why can't the Americans do the same?

[Benigno] Mr. Senate President, is there anything that can make you change your mind on the bases? For example, a person as George Bush should make a very explicit, very categorical statement that the United States will do everything in its power to grant us substantial debt relief buck. And it comes out on the record, on that basis, would that be able [to] change or alter your position?

[Salonga] If that were the only thing, maybe not. They have to respect our Constitution. The provision about nuclear weapons.

[Benigno] I see.

[Salonga] The provision about ratification. I do not find it to be in our national interest to just ignore the provision on nuclear weapons. All over the world, there is a yearning for nuclear disarmament. *The old war formula of neither confirm nor deny only exists here.*

[Benigno] New Zealand went against that already.

[Salonga] Yes.

[Abaya] But Japan has not. Japan [is] still looking around.

[Salonga] They just look the other way around.

[Abaya] And I think Korea also.

[Salonga] But they are very sensitive to the destructive power of...

[Abaya, interrupting] Oh yes, they are the only country who was ever bombed.

[Benigno] Mr. Senate President, what went wrong? The Americans were very optimistic that they would have their bases agreement share, but somehow, along the line, something happened. And quite a number of politicians, especially senators began to shift and switch. Even among media, you will notice that quite a number of media before—they were pro-bases...

[Romero, interrupting] Teddy Benigno, for example.

[Benigno] What happened? *Why is it that, all of a sudden, there were resentments?*

[Salonga] Don't you think you would be the best person to answer? [laughter] *Did you not start as pro-bases and now, everytime I see your columns, they are antibases. I have an explanation for that. Abstract is different from concrete. You already saw this agreement and you saw that there was no commitment by the United States on increased trade access. The Department of Foreign Affairs was saying there is $170 million.* You read the entire treaty, there is no such thing. And you read the side letter of George Bush, *there is no $170 million specified in it.* They talk about excess defense articles for the modernization of the Armed Forces—nothing in the treaty. And you look at the side letter of George Bush, it just says: We will seek to make available depending on certain conditions.

[Benigno] *And also on Mount Pinatubo, many complained. Mount Pinatubo erupted and instead of getting sympathy from the Americans for our condition, they squeezed our necks even more. That is the biggest impression felt by the people.*

[Salonga] *And there are also people who do not want to be threatened. It is not good that we are being threatened. The effect of that is counterproductive.*

[Romero] *Is there a provision in the treaty,* I think there was a two-billion fund for Pinatubo victims, is this a definite commitment or another wishy-washy...

[Salonga, interrupting] You look at the treaty and there is no mention.

[Romero] Maybe, *the explanation of this is* because in the American set-up the executive has really no right to assign money from the treasury, it's the House of Representatives, just like here.

[Salonga] Correct. And that is the reason why the framers of our Constitution made sure in their deliberations that this should be itself ratified by the Senate of the United States.

[Romero] But the Senate does not provide the money. It's the House of Representatives.

[Salonga] Correct.

[Romero] So how can you now want...

[Salonga interrupting] *But if that will be incorporated in the treaty, if that commitment will be specified in the treaty,* that will bind the entire government.

[Romero] Binding the House.

[Salonga] Yes. That is binding internationally on the entire government.

[Abaya] Mr. Senator, in the briefing that was given to the Senate by the secretary of finance, one of the documents that was discussed with you was the record of American, of U.S., aid to the Philippines—assistance, economic assistance to the Philippines.

And I remember figures showing that for the five years ended 1988, what they promised this country and what they actually gave us was almost double. In other words, the figure as I recall were almost, were $1.9 billion as against $900 million. But this would have, this took place under the umbrella of best efforts. Is that enough to convince the Senate that the U.S. has...

[Salonga, interrupting] Not really, *because Mr. Manglapus is complaining that they [Americans] have not fully*

delivered based on the Manglapus-Schultz agreement. You will remember that was a best effort formula. And he has been complaining about this shortfall. *He thought there will be a windfall. But instead a shortfall occurred.*

[Abaya] But, in actual fact, these little figures which have been verified by NEDA [National Economic Development Authority]; so surely, Secretary Manglapus should give way to the agency that actually records the money.

[Salonga] Let them rebate, NEDA and Manglapus. But as I was saying, *this $203 million being promised by George Bush...*

[Abaya, interrupting] That is the hard component, cash component.

[Salonga] Actually, *only $100 million will go to the Philippines.* Which means, around 2.7 or 2.8 million pesos. *You will ask me, why should only $100 million go to the Philippines each year? Because the foreign military financing and international military training will revert back to the United States, not to the Philippines.*

[Abaya] [Words indistinct] equipment and services.

[Salonga] Yes, only that. *The hard cash that will really go to us is $100 million. Now, 2.8 million, how much is our national budget?* Three hundred thirty-two billion, so, what is 2.7? [figures as heard]

[Abaya] What about the noncash component like purchases of Philippine products...

[Salonga, interrupting] *That is it before I was interrupted. Is that not the one promised us by the Department of Foreign Affairs? But nowhere in the treaty and in the side letter of George Bush is a yearly $100 million cash specified. It was just:* Buy energetically.

[Benigno] Mr. Senate President, *why are the so-called sweeteners coming now, when before, the Americans would say, this is finished, we have nothing to talk about. If you do not agree, we will withdraw. But now, there are sweeteners, there are other offers, there are second thoughts, why are these happening?*

[Salonga] *You mean, why are they adding ingredients? [laughter] Because the Senate is taking a stand. Had the Senate not taken a stand, those sweeteners would not be coming.*

[Benigno] *Therefore, they really need the Subic Naval Base. Is that your view?*

[Salonga] *In my opinion. And I also told Manglapus this, I said: In your belief, do the Americans really need the Subic Naval Base?* He said, yes. *We should have received better terms.*

[Romero] *If it is not ratified by the Senate, what scenario could happen? Will they get out 17 September?*

[Salonga] Actually, many people are not aware of Article seven Paragraph three of the Manglapus-Schultz agreement.

[Romero] The one year grace period?

[Salonga] No. That was the Ramos-Rusk Pact.

[Romero] Sorry, okay.

[Salonga] In the event of termination, *what is stipulated in the Manglapus-Schultz agreement is that,* both sides will jointly determine the custody and control of the facilities in order to effect a smooth transition, and minimize the disruptive effects. That is where, even the privatization proposal may can come in.

[Benigno] Mr. Senator, let's pause for a brief break.

[Commercial break]

[Romero] Does the case of process in the Senate is coming...[changes thought] comes about nine months before the holding of the next elections. And this is an election...[changes thought] this is an issue on which the Filipino people in the surveys have expressed a strong opinion. Mr. Senate President, you said earlier that you have a firm stand on the issue. Now, if you have to head the Liberal Party into the next election, are you prepared to make this the stand of the Liberal Party as against another party, the LDP [Struggle of the Filipino Democrats], which presumably, are like the Nacionalistas [Nacionalista Party members] which have expressed themselves as a pro-ratification...

[Salonga, interrupting] Since you brought it up, *my analysis is that the Nacionalistas are divided on this. In the Senate, there are three Nacionalistas, and Vice President Laurel even testified. In his testimony a while ago, Vice President Laurel said that the bases treaty is bad and defective,* flawed but necessary. *But to my knowledge, his brother Senator Sotero Laurel, also a Nacionalista is against the treaty. He is classified as a hardliner.* Senator Enrile, also a presidentiable [presidential hopeful] in your beautiful language, is against the treaty. On the other hand, what is the position of Mr. Blas Ople? Secretary General? You heard him, he was against the treaty unless three amendments were inserted.

[Romero] What I am really saying Senator is, is the rest of the Liberal Party, the party which you head, is it prepared to accept your leadership on this issue and say that it is going to go to that declaration of antibases party...

[Salonga, interrupting] *You know, in the Senate, our normal conduct, is this is a (conscience) vote. But it so happened that in the Senate, I think that all Liberal Party members are going to vote against the ratification.* In the case of Senator Herrera, who the papers say will vote in favor, was shocked by the fact that there is no protection for labor in the treaty.

This is what I'm saying that you may like the Americans, you may like the bases, in principle, but when you look at this treaty, it is so one-sided. No protection at all. And the point that he made this afternoon, is that there are around 80,000 laborers—direct hire and indirect—that will be affected adversely by this treaty. *This is why he asked why there is no protection,* whether in the treaty itself or in the side letter.

[Romero] In the course of the negotiations, Mr. Senator, did you not ask the executive to brief you on the progress of treaty with regard to specific issues?

[Salonga] *Oh yes, I think we have had six or seven briefing sessions.* But not one of our proposals was accepted.

[Benigno] *So Senator, to change the topic,* let us switch to your presidential candidacy. You are Protestant, it is now becoming an issue whether a candidate is Protestant or Catholic, and the Church is said to be entering into politics and wants to vote in 1992. In your opinion, is your being a Protestant, will that be a handicap or is that no issue at all in the 1992 elections?

[Salonga] *You know, Teddy, I already talked to the highest Catholic here in the Philippines, and there were bishops with whom I talked to who* said that my being a Protestant will not be a point against me.

[Benigno] *Mr. Senator, in all the surveys that were conducted in the past twelve months or so, four of you were at the top all the time—Estrada, Mirriam Defensor Santiago, you, and Secretary Ramos.* In your evaluation, how strong are you compared against each of these candidates. One by one, how do you evaluate your challengers?

[Salonga] *Your question is a little bit dangerous.* [laughter] You know, I can not answer that question without patting myself on the back and I wouldn't like to do that. *The only thing I can say is that* when I first ran for the Senate, I was among the last in the first survey. Of sixteen candidates, you know during the Nacionalista-Liberal time, there were eight candidates on each slate. I was the fifteenth in the first survey.

[Benigno] 1967?

[Salonga] 1965. And a team of American surveyors, they were hired by people in power, told me: The only way you can win is to have a terrific massive propaganda campaign and you will need this much. I said: I do not even have one tenth of the amount you are citing. So they left me. They told me: No chance. But by the end of the campaign period, I think we were in Plaza Miranda, President Macapagal told me: Jovy, *the survey now shows that you are leading.* And indeed, the next day was election day and within 48 hours, *I saw that I was leading. What do I mean? More is yet to happen between now and May.*

[Abaya] So, either way, you can go up or down.

[Benigno] Mr. Senate President, *about the Liberal Party [LP], uncertainties spread during the past days because many were questioning. As of now, are you assured that you no longer have an opponent or your opponents are weak?* In other words, you have already locked up the LP presidential slot. Or is there a problem there?

[Salonga] Teddy, I will never, never say that the whole thing is locked up already. Until convention time, anything can happen in Philippine politics. But if you are prepared to say: *You seem to be assured already,* I will not deny it. [laughter]

[Benigno] Senator, is that [word indistinct] factor, is that still on the twelfth turner, [as heard] *or is it already meaningless? Because before, they say, like Senator Orly Mercado,* that he was plugging for Supreme Court Chief Justice Marcelo Fernan and that Fernan himself was contemplating the idea of throwing his hat.

[Salonga] *And I said, the entire nation knows this, that if he will have the interest to compete in the convention,* I will relinquish my position as party president so that we can have a fair, open, free, democratic convention. *Where can you see this kind?*

[Benigno] And you're confident you'll beat him in that...

[Salonga, interrupting] I will abide by the wishes of the convention.

[Romero] But they say, Senator, how can you fail to lock up the convention when you've got 40 percent of the votes under the party rule.

[Salonga] No. There is no such rule.

[Benigno] No such rule.

[Abaya] Where did that news come from?

[Salonga] Perhaps from the Nacionalista Party.

[Benigno] Was it not the Liberal Party?

[Salonga] No, that was what came out from the media but there was no truth to that.

[Romero] I think we cannot end this discussion without asking, without reverting to the PCGG [Presidential Commission on Good Government]. After all, the PCGG is associated with you. You were the first chairman.

[Salonga] Yes.

[Romero] Looking back on it, PCGG apparently over the years, has gotten very bad press or very bad image, Mr. Senator. What went wrong in your opinion, and if you have to do it over again during the year or so that you were there, what would you have done, not done but eventually was done?

[Salonga] Well, let me put this thing in proper perspective. I was there in the PCGG only for one year—1 March up to 9 March 1987. Probably, the best critic or the best review, the best summary may be found in the decision of the Supreme Court in PCGG versus Pena, where Chief Justice Teehankee said: That was a creditable performance. And that the PCGG has not been getting the kind of gratitude that it should be getting for what it has done during that period.

[Romero] In other words, [word indistinct] cannot allow the PCGG to be an issue against you?

[Salonga] Well, that was an issue in the 1987 election. And I met it squarely. *There where places where the cronies even put up placards.* And I met the issue squarely. If you will see the results of the 1987 election, at a time when the ComElec [Commission on Elections]

had already regained the right and the ability to count votes correctly. *We did not seem aggrieved.*

[Abaya] *Only eight months are left for the Aquino administration.* What are the chances of government getting one dollar out of the Marcos wealth?

[Salonga] We've got more than that. I'll tell you, the first decision—*this is on the record—the media was wrong again on that.* The first decision that we obtained and the amount of cheque that was turned over to President Aquino, was the decision of the Supreme Court of New Jersey in the year 1986. You will recall the state visit of the president was in September. Our lawyers gave to President Aquino.

[Abaya] What was the amount Mr. Senator?

[Salonga] I think, around a million dollars.

[Abaya] But it's very small...

[Salonga, interrupting] *But wait. Your question was premised that not a centavo was retrieved. [laughter] It seems incorrect.* And that was corresponding only to a bank deposit of one of the children of the Marcoses. And these mansions in New Jersey. And then, as a result of the suit that we filed in Texas, Jose Yao Campos entered into a [word indistinct] bank agreement. But that was because of the suit that I authorized in Texas. And from that compromise agreement, we got around 200 land titles covering choice lots in Metro Manila, in Rizal, in Laguna, in Cavite. And shares of stocks in around more than a hundred corporations all amounting to around five billion pesos. Then because of the suits that I filed in New York, Tony Floreindo came out and gave us the Lindenmere estate in Long Island. I don't know whether they have sold that already. He gave us the condominium units in the Olympic Towers of Fifth Avenue in Manhattan. He gave to the government also the Makiki Heights Mansion, adjoining that of the Makiki Heights mansion. [as heard]

[Benigno] Senate President, the hour glass has run out again on our program, so we would appreciate it if you would have a message for our TV audience.

[Salonga] Well, let me say this, *I guess what we talked about most lengthily was the military bases.* None of us in the Senate, and none of the people involved in these negotiations, can escape the judgment of history. In the final analysis, we have to look at what we are doing here in the perspective of history—10, 20, 30, 40, 50 years from now. Were these people men of judgment? Were they men of wisdom? And were they men of moral courage? And I hope we will all pass that test.

[Benigno] Thank you very much, Mr. Senate President.

Tanada: 12 Senators Still Opposed

HK0209022691 Manila DIYARYO FILIPINO in Tagalog 2 Sep 91 pp 1, 2

[By E. Reyes, F. Jimenez and J.F. Gonzales]

[Text] Senator Wigberto Tanada stressed that there are still 12 senators who are against the ratification of the new agreement on the retention of the U.S. military bases in the country.

He said there are no new provisions in the treaty which are favorable to the Philippines and that it is impossible to convince the 12 senators to change their positions.

According to Tanada, Senate President Jovito Salonga, Senators Agapito Aquino, Rene Saguisag, Orlando Mercado, Teofisto Guingona, Victor Ziga, Aquilino Pimentel and Ernesto Maceda remain opposed to the treaty.

He still believes that, although Senators Ernesto Herrera and Alberto Romulo have not decided on the treaty, they would reject it because the provisions were not what they wanted.

Herrera recently said he would support the treaty if there is an assurance that the workers displaced by the closure of Clark Air Base in Angeles, Pampanga are given security.

Romulo stressed he will only support the agreement if it is assured that the U.S. will cut down the Philippines foreign debt of up to $29 billion, similar to what Washington did in Poland and Egypt.

The senator added that there is something which the U.S. has not given to the country in compliance to the agreement between Department of Foreign Affairs Secretary Raul Manglapus and George Shultz.

In Malacanang, an informant assured that the senators who are not yet sure of their positions on the Treaty on Friendship, Cooperation and Security will support this if only the U.S. uses its influence on the commercial banks so as to write off the Philippine debts.

The source said some senators have proposed in their meeting with President Aquino that foreign banks should lend the Republic of the Philippines $11.4 billion after the foreign debts have been written off so that this can be used for livelihood projects, rehabilitation and improvement of infrastructure that could lead to the country's economic progress.

In related developments:

—Dr. Nemesio Prudente of the Polytechnic University of the Philippines denied that local products could no longer enter the U.S. market should the Senate reject the treaty.

He said that America has remained open to garment and sugar products from South Africa, People's Republic of China and Thailand despite the absence of military bases in these countries.

—Representative Freddie Webb (Struggle of Filipino Democrats) criticized a statement by U.S. Rep. Stephen Solarz that Washington will not grant the government debt relief if the Senate does not ratify the treaty.

He proposed that negotiations should be reopened because the United States allegedly is putting pressure on the senators to ratify the agreement.

—Radio commentators in Tarlac assailed the Office for the Northern Cultural Communities for forcing the natives to sign a statement in support of the retention of the American bases in the country.

Senate Bypass Via Referendum Urged

HK0409054691 Manila PHILIPPINE DAILY INQUIRER in English 4 Sep 91 pp 1, 6

[By Tony Bergonia]

[Text] Senators belonging to the Laban ng Demokratikong Pilipino (LDP) [Struggle of Filipino Democrats] yesterday raised the possibility of bypassing the Senate and letting the people decide the fate of the new base treaty in a referendum.

The gambit surfaced on the second day of the Senate foreign relations committee's public hearings on the base agreement.

Meanwhile senators opposed to the terms of the new treaty remained unconvinced that its ratification would be in the best interest of the country.

Foreign Secretary Raul Manglapus said that, under the Constitution, the Senate could not keep away from making a decision on the new base treaty.

Manglapus said that before the treaty could be presented to the people in a referendum, the Senate should first ratify it.

"If the Senate rejects the treaty, then the treaty is dead. If it is rejected, then there is no treaty to present to the people," he said.

Sen. Neptali Gonzales, LDP president, asked Manglapus if it was possible for the Senate to bring the treaty to a national referendum without deciding on it.

"Since there is apparently a deadlock between the Senate and the Executive (on the bases treaty), then why shouldn't it be thrown to the ultimate owner of power, which is the sovereign people?," Gonzales said during the hearing.

Gonzales said that under the Constitution, there are three stages in the process of treaty ratification.

The first is the negotiation, the second is concurrence by the Philippine Senate and the third is ratifiation by the people in a referendum "if Congress so desires."

Gonzales said that, based on his understanding of this constitutional provision, ratification directly by the people in a referendum is allowed.

He said rejection by the Senate of the treaty does not close the option of letting the people decide in a referendum.

"If the treaty is ratified by the Senate, then there is no sense in asking the people to vote on it in a referendum," he said.

Shortly after Gonzales raised his questions, Sen. Jose Lina Jr. (LDP) announced he had just filed a resolution asking the Senate to conduct a deeper study on whether it was possible for the Senate to skip any decision on the treaty and let the people make the decision in a referendum.

According to Lina's resolution, a rejection of the treaty could lead to this scenario: the House of Representatives approves a resolution calling for a referendum, sends that resolution to the Senate where it is approved by a majority.

Lina said such a scenario would allow Congress to leave the ratification or rejection of the treaty to the people in a referendum.

According to Sen. Heherson Alvarez, another LDP member, Lina approached him to enlist his support for Gonzales' proposal.

But, Alvarez said, "I asked him to hold it in abeyance until it is detabed fully."

The move is one of several options pro-administration senators are toying with to avoid outright rejection of the treaty.

On the treaty terms, Alvarez said that going by the answers of Manglapus to the senators' questions, the most the Philippines could get from U.S. President Bush's promise of debt relief is debt restructuring.

"Wala, ire-restructure lang nang ire-restructure yung mga utang natin, wala namang concrete condonation kagaya sa Poland," [None, only restructuring of our debts, there is no concrete condonation like in Poland,"] said Alvarez.

Manglapus on 'Fixed Improvements'

HK0409111091 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 4 Sep 91

[By Restie De Quiros, DZRH Unit No. 8]

[Excerpt] At the moment, we are here in the Senate Hall where Senator Hererra is interrogating Secretary Raul Manglapus. Senator Hererra is asking why the issue on whether the Americans should leave behind their important facilities was not incorporated in the signed treaty. Here are the explanations rendered by Secretary Raul Manglapus:

[Manglapus, in English] There is a standing provision in the current agreement which is understood to be...[changes thought] which is also in the subsequent treaty; that the Philippine Government is owner, and is entitled to all the fixed improvements in Subic and of course, in Clark. The floating dock is somewhere in between; and it is seen fixed but it is floating and theoretically, not only theoretically but in fact it can be tagged away. Therefore, we were not able to arrive at a

definite understanding on the floating dock. However, this is precisely one of the subjects which could be taken up in the program review group.

[Hererra, in English] But this was discussed, specifically the floating dockyard.

[Manglapus] There was mention of it, I recall. But there was no final understanding because of the, as I said, the particular nature somewhere in between the fixed and the not fixed. Therefore this is something that should be taken up at [word indistinct]. Definitely, the program review group would be the proper forum, of course. [passage omitted]

Aquino To Lead Pro-Bases Rally

HK0409120591 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 4 Sep 91

[Text] President Aquino will head the planned pro-bases rally on 10 September. This was announced by Press Secretary Tomas Gomez III. According to Gomez, it is expected that about 300,000 people will attend the massive rally. The aim of the rally is to convince the Senate to approve the new bases treaty which is schedule to be decided upon by the Senate next week. The scheduled rally's theme is "a million people for bases treaty ratification". The pro-bases rally will be supported by multisectoral groups and all members of the Struggle of the Filipino Democrats.

Antibases Groups To Hold Rally

HK0409130891 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1137 GMT 4 Sep 91

[Text] An antibases rally will be held in front of the Senate by antibases advocates on 10 September. This was announced by Renato Constantino Jr. one of the leaders of antibases advocates in the country. He added that even though his group cannot match the wide resources of the government in calling 300,000-500,000 people to form a rally for the president, which will be attended by the president, their group is also large but not as big as the pro-bases group. His group will consist of tens of thousands but he refused to estimate as to how many would attend their planned rally. He stressed that their planned antibases rally was not a counter-rally, because they were the first to plan a rally, ahead of the government's planned pro-bases rally. He criticized the president's decision to attend the planned pro-bases rally, since this will be the first time in the history of the Philippine presidency that a chief executive of the Philippines will attend a rally for the U.S.

Aquino Rejects Presidential Term Extension Plan

HK0409093491 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 4 Sep 91

[By Dick Sinchongco, Unit 6]

[Text] President Cory Aquino has rejected a proposal to extend her term until a new president is proclaimed in the election next year. The president stressed she is not interested in lengthening her service. Instead, she explained that she is in favor of the chief justice of the Supreme Court becoming the acting president of the country in the event of the proclamation of the next Philippine president being delayed. In her statement, read by Press Secretary Tomas Gomez III, the president said:

[Begin Gomez recording in English] The president is not interested in having her term extended. Instead she favors a proposal to have the chief justice of the Supreme Court be the acting president in case there is a delay in proclaiming the next president beyond June 30 1992. [end recording]

This was the president's reaction to a bill filed by Raul Roco, House Assistant Majority Floor Leader, for the president to remain in her position until the next president is elected in 1992.

Thailand

Government To Wait Before Recognizing Baltics

BK0409113591 Bangkok Voice of Free Asia in Thai 1030 GMT 4 Sep 91

[Excerpt] [Passage omitted] Speaking to newsmen on 3 September, Foreign Minister Asa Sarasin disclosed that recently the Baltic republics of Lithuania, Latvia, and Estonia, which have separated themselves from the Soviet Union and declared their independence, sent letters asking the Thai Government to declare its recognition. Asa said he has informed the Cabinet of the letters and explained that Thailand will wait a few more days until the current session of the Soviet parliament makes a decision. If the Soviet parliament recognizes the three republics, Thailand will follow suit immediately. Therefore, the Thai Government has not replied to the letters from the three republics. Asa noted that to date the Soviet parliament has not rejected the independence of the three republics. He added that Lithuania, Latvia, and Estonia were previously independent countries but were annexed by the Soviet Union in 1940. To date, 31 countries have recognized the independence of the three republics.

Presentation of Burmese Holy Title Canceled

BK0309142591 Bangkok Army Television Channel 5 in Thai 1230 GMT 3 Sep 91

[Text] The meeting of the Ecclesiastical Council decided to cancel the presentation of the high religious title of the Burmese Government to His Holiness the Supreme Patriarch Somdet Phra Yannasangwon. On this, Foreign Minister Asa Sarasin said he had no comment. He said the matter is now the responsibility of the education minister. Concerning fear that the gesture might be interpreted as Thailand's rejection of Burma's friendship and might affect fishing cooperation between Thailand and Burma, the foreign minister told newsmen that the issues were not related. He stressed the Thai Government's policy of promoting ties with friendly countries, especially with Burma, and said cooperation in fishing will continue.

Asa Affirms Maintenance of Ties

BK0409075891 Bangkok Radio Thailand Network in Thai 0530 GMT 4 Sep 91

[Text] The Foreign Ministry has affirmed its policy of strengthening the friendly relationship between Thailand and Burma. A statement was made by Foreign Minister Asa Sarasin as follows:

[Begin recording] [Asa] On the issue concerning Burma and Thailand, I would like to say that as the two countries share a common border, there is need for us to take an overall view of the issue. Burma has several things that are important for us. As remarked by the Army commander and M.R. Khukrit Pramot, when considering anything concerning Burma, we have to look at the picture as a whole. Since the Burmese are friendly to us, it is therefore necessary for us to maintain friendship with them. Please take an overall view of the situation.

[Reporter] There is a fear that there may be an impact on Thai-Burmese fishing cooperation.

[Asa] No, there wouldn't be. Think of the overall picture of the situation. There is a need for us to consider various aspects, such as fishing, trade, and cooperation in narcotics suppression. The same concept should be applied to all the countries surrounding Thailand, such as Laos, Cambodia, Burma, and Vietnam. In the future, in the case of Malaysia, which also shares a border with our country, there is need to try to create mutual understanding and eradicate various problems as much as possible. We are trying to do so with Burma and there should be no problem between us. We have to maintain friendship between the two countries. [end recording]

Elections Promised 'No Later Than March'

BK0309142891 Bangkok Army Television Channel 5 in Thai 1230 GMT 3 Sep 91

[Interview with Army Commander General Suchinda Khraprayun by unidentified reporters on 2 September in Bangkok—recorded]

[Excerpt] [Unidentified reporter] Can you confirm that the elections will be held in early March as mentioned earlier?

[Suchinda] Who can fix the election date? Neither I nor the prime minister can; it depends on the committee dealing with the Constitution. Once the Constitution is promulgated, the election will be held in 60, 50, 70 days, whatever. We cannot fix a definite date, but we are certain it will be no later than March. [passage omitted]

Editorial Questions Need for Arms Purchases

BK0409023791 Bangkok THE NATION in English 4 Sep 91 p A14

[Editorial: "Does the Thai Military Really Need More Arms?"]

[Text] Most Thai military leaders like to claim that they understand the need to adapt the military's role to fit into the changing realities of the post-Cold War era. They proudly cite their constitutional role in national development and claim credit for numerous projects aimed at making rural Thailand a better place to live in. And this is how they continue to justify getting a lion's share of the annual national budget. In the next fiscal year defence is second only to education in national expenditure.

At the same they also talk about streamlining the military establishment, reducing the number of military personnel, depending more on volunteers rather than draftees, and modernizing the armed forces. This modernization always seems to involve secret acquisitions of arms and military equipment whose utility is never clearly explained. More often than not, arms deals are negotiated in top secrecy and the government is finally notified only when the military needs additional money or a government guarantee for the purchase.

More Military Spending

This tactic of making an offer the government cannot refuse was used again during a dinner meeting between government leaders and members of the National Peacekeeping Council [NPKC] on Monday. NPKC Chairman and Supreme Commander Gen Sunthon Khongsomphong disclosed yesterday that during the meeting he asked Prime Minister Anan Panyarachun for a special increase in the military budget to cover some urgent arms procurement plans.

Interestingly, Gen Sunthon's Supreme Command is actively acquiring arms and military equipment for the three military branches, including French-made air-defence missiles which would cost the country Bt [Thai baht] 53 billion. Normally, the Supreme Command, which has no major combat units, seldom has any part in arms procurement. Moreover, the request for additional money came less than one month ahead of Gen Sunthon's retirement. This too is rather unusual because retiring military leaders do not like to buy arms that they will not use, and their successors do not like to see their budgets committed ahead to paying for something that they may not need.

Some of the other arms and equipment that the military branches are considering buying are unjustifiable, like the AMX jet fighters co-produced by Italy and Brazil which have found no prospective buyers in the world other than the Royal Thai Air Force. Why would Thailand need these dubious warplanes when we have already acquired 18 F-16s and plan to buy another 18?

The Royal Thai Navy's Marines are going to build up their aviation wing and, yes, it will need to buy warplanes for deployment at U-taphao. The Royal Thai Army has brought a large number of second-hand U.S.-made tanks and is now actively looking for more second-hand helicopters decommissioned from the U.S. forces as part of the U.S.-Soviet arms cuts.

What make Thai military leaders so anxious to acquire more and more arms and military equipment at a time

when the world at large is heading toward peace and Thailand's national security is no longer threatened by any enemies from outside? It is understandable that they often find it impossible to resist a "good" deal. But why go for some obsolete or untested arms when the market is now in the buyer's favour?

The NPKC has reportedly shown a great deal of "concern" about several chronic problems besetting this country, like the traffic woes in Bangkok, the acute rural poverty, the shortage of medical services for the poor, and the rising cost of living. We wonder how their urgent arms acquisitions will contribute to resolving these problems.

Why don't they try harder to resist all the sweet talk of arms merchants and help the government divert more funds into national development projects, instead of demanding more and more money for military spending? Just because the country's national coffers are full of foreign currency reserves doesn't necessarily mean that the military can buy anything it likes. Remember, our country still has nearly Bt600 billion in debts to pay.

Don't we still have a Committee on Military Affairs in the National Assembly? Has the Committee ever been consulted on these arms acquisitions?

Make Them Accountable

We strongly urge the Anan administration to make all of the military leaders who are demanding additional money come forward and explain their reasons to the public. The time when the military leaders could claim they "love this country" more than anyone else and "know how to love it best" are long gone.

Since the money they are demanding has to come from our taxes, we want to know how it is going to be spent. We want to know why the spending is "necessary".

Such accountability is standard practice in every democratic country. Since Thai military leaders say they want to help transform Thailand into a truly democratic country, they must learn to accept this accountability.

Vietnam

Vo Van Kiet Attends Minh Hai Party Congress

BK0409103391 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 2 Sep 91

[Text] Minh Hai Province held its eighth, second-round party organization congress in Ca Mau from 27-30 August with the participation of 350 delegates who, representing over 18,000 party members, came from 15 subordinate party organizations.

Comrade Vo Van Kiet, member of the Political Bureau and chairman of the Council of Ministers, attended the congress. Also present were veteran revolutionaries and members of the party Central Committee.

The congress reviewed and assessed the local socioeconomic situation during the recent term of office of the provincial party executive committee, especially its efforts to exploit the province's three strengths—namely agriculture, forestry, and fishery—and set forth the targets for the committee's 1991-95 term of office, which consist mainly of concentrating on exploiting latent potentials under a plan for exploitation of the Ca Mau Peninsula area.

Mr. Vo Van Kiet, chairman of the Council of Ministers, addressed the congress, hailing Minh Hai Province for its efforts to carry out renovation in production and business and pointing out that, compared with other provinces in the Mekong River Delta, Minh Hai has still been slow to develop, especially agriculturally. The local strengths such as agriculture, forestry, and fishery have not been evenly exploited. The province has been heavily preoccupied with shrimp farming without paying any attention to forestry. Therefore, the new provincial party committee should study exploiting shrimps and study forestry in accordance with ecological and scientific norms. It should not concentrate only on shrimp raising while ignoring the destruction of the nation's priceless indigo forests.

The chairman of the Council of Ministers instructed Minh Hai Province to promptly work out a plan to manage its entire forestry area more effectively.

Regarding the policy toward cadres in the former resistance base area, the comrade said: Not only should the Minh Hai provincial party organization care for them during anniversary celebrations, but it should also concern itself with providing them with constant assistance. Cadres at various levels should go deep into former resistance base areas to listen to the people's views and settle their legitimate demands.

As for scientific cadres, the province should pay attention to giving assistance to them and come up with appropriate privileges for them so they can contribute their minds to national construction. The building of schools for rural areas should also be given attention if we are to train a younger generation to take up our cause. Schools are still scarce, the number of school-age children who cannot go to school still large, and the percentage of illiterate people still very high.

As for party cadres and members, the comrade chairman of the Council of Ministers gave instructions that during their coming second-round party congresses, various district and town party organizations should remove from their party committees those party members who indulge in drinking parties, are decadent, stay aloft from the masses, or bully the people. Their continued presence will discredit the party.

The congress elected 45 comrades to the Eighth Executive Committee of the provincial party committee, with 75 percent of them being former members of the Seventh Executive Committee.

Official Discusses Foreign Investment Situation

BK3108150991 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 28 Aug 91

[Interview with Nguyen Mai, vice chairman of the State Committee for Cooperation and Investment, by station correspondent; date not given—Nguyen Mai's responses recorded]

[Summary] [Correspondent] "Dear comrade: Could you tell the audience of Radio Voice of Vietnam about the number of foreign businessmen coming to our country to seek business with us and about the number of foreign investment projects we have signed so far?"

[Nguyen Mai] "Since the promulgation of the law on foreign investment, there have been over 3,000 foreign businessmen from various countries visiting Vietnam each year. So far this year, some 1,900 delegations of foreign businessmen, including those from Japan, South Korea, and even from the United States, have come and this shows that foreign businessmen have become more interested in investing their money in Vietnam. We have signed 292 investment projects for a total value of $2.2 billion." Of particular importance is that "we have signed 12 oil and gas projects valued at $520 million. In addition, we have also signed 150 projects designed to develop the processing industry and another 42 projects to build hotels."

[Correspondent] How do you view the development of these projects? Could you name some successful ones?

[Nguyen Mai] "Some $500 million has been invested in the above projects, with over $300 million going to the oil and gas sector."

Thanks to the building of the Ho Chi Minh City telephone project, one now can make a long-distance telephone call to anywhere in the world. The export-oriented mushroom project in Hau Giang Province, which now provides employment for 20,000 people, has yielded good results. Given the current trend, it is expected that capital investment will increase and that we can expand the spheres of foreign investment more extensively. We are also planning some new projects such as the Cuu Long oil refinery. If this project is approved, it will bring us $1-1.2 billion in capital investment.

[Correspondent] Could you tell us about the cement project?

[Nguyen Mai] "We are planning to increase our annual cement production output to eight million metric tons by 1995 and at least 16 million metric tons by the year 2000."

[Correspondent] Are there any difficulties in the implementation of the law on investment? If yes, then how can we iron them out?

[Nguyen Mai] The difficulties are numerous but what bothers us most is red tape encountered in carrying out various investment projects. We need to simplify our administrative procedures.

"What we have to do now is to promptly train a contingent of cadres on how to do business with foreign countries, especially on how to solve various financial and banking transactions."

[Correspondent] Thank you, comrade.

Official on Pressures Facing Vietnam Airlines

BK0409020691 Hong Kong AFP in English 0126 GMT 4 Sep 91

[Text] Hanoi, Sept 3 (AFP)—Vietnam Airlines (VN) is trying to stay aloft despite the twin pressures of Soviet economic crisis and the U.S. trade embargo.

"It has been a difficult year," Nguyen Hong Nhi, director of Vietnam's national carrier, acknowledged in a recent interview with AFP.

The Soviet Union, faced with a deepening economic crisis, began demanding in January hard currency payments from trading partners such as Vietnam, which had long received Soviet goods on a barter basis or at concessionary prices.

The decision knocked the wind out of Vietnam's struggling economy, hitting hardest at enterprises such as Vietnam Airlines that had no other place to turn.

All 30 of VN's aircraft are Soviet-built and much airport equipment is also imported from Vietnam's longtime socialist ally, Nhi said.

"The change in trading terms has doubled our operating expenses," he said, without providing figures. "That's just a rough estimate. They may have tripled."

The chaos afflicting some sectors of the Soviet economy has also caused "some delivery problems since the start of the year," said Nhi, who nonetheless insisted that maintenance schedules had not been compromised. Trade between the Soviet Union and Vietnam in the first half of this year was just 15 per cent of that during the same period last year, according to Vietnamese officials.

Many Vietnamese enterprises and industries have responded by expanding commerical ties with other countries or territories, notably in the region.

VN is trying to do the same. On August 26, a VN delegation left for a two-week marketing trip to discuss the possibility of new flights to Kuala Lumpur, Dubai, Paris, Frankfurt and several Eastern European cities, Nhi said.

But repeated attempts by the state-owned airline to acquire what it needs most—a more modern fleet—have been shot down by the continued U.S. trade embargo.

Almost all modern aircraft, including those built by the European counsortium Airbus Industrie, have some American components, but the U.S. firms that dominate the aircraft industry are barred from exporting to Vietnam.

In March, an airliner leased by VN from the Swiss charter company Trans Europe Airways (TEA) even

landed at Ho Chi Minh City's airport before it was forced to take off again as a result of U.S. pressure, Nhi said.

"The biggest problem for our company is that we are not able to lease modern planes," he said.

Talks between VN and Cathay Pacific on direct flights between Hong Kong and Hanoi were held up for months because VN did not have an aircraft that would meet Hong Kong Airport safety standards.

Nhi said the two airlines finally agreed last month that Cathay would make all the flights but that profits would be split evenly between the two carriers. The flights should begin as soon as the Vietnamese and Hong Kong governments sign a covering air-services agreement.

In August, politics apparently scuttled a twice-weekly flight to Ho Chi Minh City by China Airlines (CAL), Taiwan's national carrier. CAL officials said they were forced to halt flights less than a week after they started because of pressure on Vietnam from China.

Nhi said his airline was now eager to resume direct flights to China, with whom Vietnam is moving rapidly toward normalization after 12 years of tension.

Fiji

PRC Envoy Said To Seek Asylum at U.S. Embassy

BK2908124391 Hong Kong AFP in English
1233 GMT 29 Aug 91

[Text] Suva, Aug 29 (AFP)—The United States has refused to approve a political asylum application from a Chinese diplomat missing from his embassy here since last week, a U.S. Embassy official said here Thursday.

The official said the Chinese Embassy's first secretary, Wu Xiaochun, "had been in touch with us," but added that according to U.S. law, political asylum can only be granted on U.S. territory.

The official said Wu was referred to the United Nations High Commissioner for Refugees.

Wu went missing after he told embassy officials that he was going to the bank. His car was found parked next to the Reserve Bank of Fiji building with a farewell note inside for the Chinese ambassador.

Wu was found in Nausori on Wednesday and is under police protection in a "safe place" away from the Fijian capital, officials said.

Fijian Permanent Secretary for Foreign Affairs Robin Yarrow said yesterday that Wu did not want to return to his embassy, and "indicated that very strongly and that he has political reasons for it." But he has not sought political asylum in Fiji, Yarrow told the FIJI TIMES newspaper.

Fijian Prime Minister Ratu Sir Kamisese Mara was "fully involved" in the case and was considering it, Yarrow said.

Wu is also reported to have contacted Taiwan trade mission officials in Suva through a third party. Mission officials had reportedly faxed a letter from him to Taipei and were awaiting a reply.

It could not be established late Thursday, however, whether Taipei had responded. Taiwanese mission officials were refusing to comment to reporters.

According to reports, Wu is also reportedly seeking asylum in New Zealand and South Korea.

Vanuatu

Premier Asks President To Dissolve Parliament

BK0109092091 Hong Kong AFP in English
0914 GMT 1 Sep 91

[Text] Port Vila, Sept 1 (AFP)—A last-ditch attempt by Vanuatu's Prime Minister Walter Lini to avoid being voted out of office failed Sunday when the country's president refused to dissolve Parliament.

President Fred Timakata said the government had asked him to dissolve the assembly, which is due to hold an extraordinary session Tuesday to debate a motion of no-confidence in Lini.

Speaking on national radio, Timakata said he had decided not to exercise his constitutional prerogative, but instead to allow the extraordinary session to go ahead.

Lini, who has been prime minister since independence in 1980, seems certain to be defeated Tuesday.

Last week, the newly elected speaker, Vincent Boulekon said that 25 of the 46 members of Parliament had written to him asking for a special session to debate the motion.

They include Donald Kalpokas, who was elected president of the ruling Vanua'aku Pati at a special party congress on August 7 and who will automatically replace Lini if the no-confidence motion succeeds.

Speaking in Bislama, the vernacular language of Vanuatu, Timakata said he would not allow the presidency to be drawn into a political struggle.

He then repeated his statement in English.

"Parliament's right to debate a motion of no-confidence derives from the Constitution," he said.

If Lini has doubts about the validity of the motion, "remedies other than dissolution are available in the Supreme Court and the court of appeal," Timakata continued.

"A motion of no-confidence is a political issue and political issues are to be settled in parliament."

Timakata reminded listeners that parliament's term will expire by December 11 and that elections must be held within two months of that date.

Parliament still had not met for the second session which it would normally have held this year, he said.

The president said that he had carried out his duty in considering the government's request for a dissolution, but had declined to accept it, as was his constitutional right.